Annual Report (2008-09)

Ministry of Textiles
Government of India
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CHAPTER I

HIGHLIGHTS
The Indian Textiles Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textiles industry also plays a pivotal role through its contribution to industrial output, employment generation, and the export earnings of the country. Currently, it contributes about 14 percent to industrial production, 4 percent to the GDP, and 17 percent to the country's export earnings. It provides direct employment to over 35 million people, which includes a substantial number of SC/ST, and women. The Textiles sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the economy of the nation.

The Indian textiles industry is extremely varied, with the hand-spun and hand-woven sector at one end of the spectrum, and the capital intensive, sophisticated mill sector at the other. The decentralized powerlooms/ hosiery and knitting sectors form the largest section of the Textiles
Sector. The close linkage of the Industry to agriculture and the ancient culture, and traditions of the country make the Indian textiles sector unique in comparison with the textiles industry of other countries. This also provides the industry with the capacity to produce a variety of products suitable to the different market segments, both within and outside the country.

The major sub-sectors that comprise the textiles sector include the organized Cotton / Man-Made Fibre Textiles Mill Industry, the Man-made Fibre / Filament Yarn Industry, the Wool and Woollen Textiles Industry, the Sericulture and Silk Textiles Industry, Handlooms, Handicrafts, the Jute and Jute Textiles Industry, and Textiles Exports.

ORGANISED COTTON/ MAN-MADE FIBRE TEXTILES INDUSTRY

The Cotton/ Man-made fibre textile industry is the largest organized industry in the country in terms of employment (nearly 1 million workers) and number of units. Besides, there are a large number of subsidiary industries dependent on this sector, such as those manufacturing machinery, accessories, stores, ancillaries, dyes & chemicals. As on 31.03.2008, there were 1773 cotton/man-made fibre textile mills (non-SSI) in the country with an installed capacity of 35.01 million spindles, 461,000 rotors and 56,000 looms.

Textile production covering man-made fibre, filament yarn and spun yarn showed a minor setback in 2008-09. Man-made fibre production recorded a fall of about 14% and filament yarn production recorded a fall of about 6% during 2008-09. Blended and 100% non-cotton yarn production recorded a fall of about 4.4% during 2008-09.

Cloth production by mill sector showed an increase of 1% during 2008-09.

During 2008-09 cloth production by handloom, power loom decreased by about 4% and 3%, hosiery sectors production increased by 2%. An overall cloth production decreased by about 2% during 2008-09.

There were 1773 cotton/man-made fibre textile mills (non-SSI) in the country as on 31.03.2008 with 35.01 million spindles, 461,000 rotors and 56,000 looms capacity.

TECHNOLOGY UPGRADATION FUND SCHEME (TUFS)

The Technology Upgradation Fund Scheme (TUFS) was commissioned on 01.04.1999 initially for a period of 5 years with a view to facilitate the modernization and upgradation of the textiles industry by providing credit at reduced rates to the entrepreneurs both in the organized and the unorganized sector. The Scheme, which has now been extended up to 31.03.2012, has been fine-tuned to catapult the rapid investments in the targeted segments of the textile industry. TUFS has helped in the transition from a quantitatively restricted textiles trade to market driven global merchandise. It has infused an investment climate in the textiles sector and in its operational life span has propelled investment of more than Rs.1,66,839 crores.

The modified techno-financial parameters of the Scheme will infuse capital investment into the textiles sector, and help it capitalize on the vibrant and expanding global and domestic markets, through technology upgradation, cost effectiveness, quality production, efficiency and global competitiveness. It is estimated that this will ensure a growth rate of 16% in the sector. The modified structure of TUFS focuses on additional capacity building, better adoption of technology, and provides for a higher level of assistance to segments that have a larger potential for growth, like garmenting, technical textiles, and processing.
Progress of TUFS

The progress of TUFS is steadily going up which is evident from the data given at table 1.1.

TEXTILE WORKERS' REHABILITATION FUND SCHEME (TWRFS)

The Textile Workers' Rehabilitation Fund Scheme came into force with effect from 15.09.1986 with the objective to provide interim relief to textile workers rendered unemployed as a consequence of permanent closure of any particular portion or entire textile unit. Assistance under the Scheme is payable to eligible workers only for the purpose of enabling them to settle in another employment. Such assistance is not heritable, transferable or capable of being attached on account of any other liabilities of the worker. The worker's eligibility shall cease if he takes up employment in another registered or licensed undertaking. The rehabilitation assistance will not be curtailed if the worker fixes himself in a self-employment venture.

Progress

Till March 2009, under the Scheme, 43 units in Gujarat, 5 units in Tamil Nadu, 4 units in Maharashtra, 4 units in Madhya Pradesh, 7 units in Karnataka, 2 unit in West Bengal, 3 in Punjab and 1 unit each in Delhi and Kerala, i.e., a total of 70 mills were found eligible under the scheme. A total of 102711 workers out of 132130 workers on rolls of these mills had been disbursed relief of Rs. 262.01 crore. The State-wise cumulative position is given at table 1.2.

MAN-MADE STAPLE FIBRE AND FILAMENT YARN INDUSTRY

The production of man-made staple fibre

<table>
<thead>
<tr>
<th>Year</th>
<th>Applications received</th>
<th>Applications sanctioned</th>
<th>Applications disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>Total Cost of project</td>
<td>No.</td>
</tr>
<tr>
<td>1999-2000</td>
<td>407</td>
<td>5771</td>
<td>309</td>
</tr>
<tr>
<td>2000-2001</td>
<td>719</td>
<td>6296</td>
<td>616</td>
</tr>
<tr>
<td>2001-2002</td>
<td>472</td>
<td>1900</td>
<td>444</td>
</tr>
<tr>
<td>2002-2003</td>
<td>494</td>
<td>1835</td>
<td>456</td>
</tr>
<tr>
<td>2003-2004</td>
<td>867</td>
<td>3356</td>
<td>884</td>
</tr>
<tr>
<td>2004-2005</td>
<td>986</td>
<td>7941</td>
<td>986</td>
</tr>
<tr>
<td>2005-2006</td>
<td>1086</td>
<td>16194</td>
<td>1078</td>
</tr>
<tr>
<td>2006-2007</td>
<td>12336</td>
<td>61063</td>
<td>12589</td>
</tr>
<tr>
<td>2007-2008</td>
<td>2408</td>
<td>21254</td>
<td>2260</td>
</tr>
<tr>
<td>2008-2009 (P)*</td>
<td>5092</td>
<td>43406</td>
<td>5063</td>
</tr>
</tbody>
</table>

As on 31.03.2009 (P) 24867 169016 24685 166839 72518 24572 60955

Note: The progress during the current year is provisional as only 17 lending agencies have furnished the consolidated progress for the month ending March, 2009 and many other lending agencies have still not furnished the progress.

* - As the cut off date for the cases sanctioned prior to on or before 31st March, 2007 for claiming subsidy under TUFS has been fixed till the quarter ending Dec., 2008, the data upto Dec., 2008 covers units whose project was sanctioned prior to 31st March, 2007.
## Table 1.2

<table>
<thead>
<tr>
<th>S. No.</th>
<th>State</th>
<th>No. of mills identified</th>
<th>No. of workers on roll</th>
<th>No. of workers benefited (as on 20.10.2007)</th>
<th>Disbursed Amount (Rs. in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>No. of mills</td>
<td>Workers received relief</td>
</tr>
<tr>
<td>1.</td>
<td>Gujarat</td>
<td>43</td>
<td>80749</td>
<td>43</td>
<td>63518</td>
</tr>
<tr>
<td>2.</td>
<td>Maharashtra</td>
<td>4</td>
<td>4887</td>
<td>4</td>
<td>3773</td>
</tr>
<tr>
<td>3.</td>
<td>Madhya Pradesh</td>
<td>4</td>
<td>18977</td>
<td>4</td>
<td>17747</td>
</tr>
<tr>
<td>4.</td>
<td>Tamil Nadu</td>
<td>5</td>
<td>5501</td>
<td>5</td>
<td>4664</td>
</tr>
<tr>
<td>5.</td>
<td>Kerala</td>
<td>1</td>
<td>500</td>
<td>1</td>
<td>437</td>
</tr>
<tr>
<td>6.</td>
<td>Karnataka</td>
<td>7</td>
<td>9620</td>
<td>7</td>
<td>4670</td>
</tr>
<tr>
<td>7.</td>
<td>Delhi</td>
<td>1</td>
<td>5187</td>
<td>1</td>
<td>5170</td>
</tr>
<tr>
<td>8.</td>
<td>West Bengal</td>
<td>2</td>
<td>1597</td>
<td>2</td>
<td>1324</td>
</tr>
<tr>
<td>9.</td>
<td>Punjab</td>
<td>3</td>
<td>5112</td>
<td>3</td>
<td>1408</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>70</td>
<td>132130</td>
<td>7080749</td>
<td>102711</td>
</tr>
</tbody>
</table>

**EXTRACTIONS**

The installed capacity and details of production of man-made staple fibre and filament yarn are given at table 1.3.

### EXPORTS

India’s textiles and clothing industry is one of the mainstays of national economy. It is also one of the largest contributing sectors of India’s exports worldwide. At current prices the Indian textiles industry is pegged at US$52 billion, 64% of which services domestic demand. The textiles industry accounts for 14% of industrial production; employs 35 million people and accounts for nearly 12% share of the country’s total exports basket.

### Milestones

i) Exports of textiles and clothing products from India have increased steadily over the last few years, particularly after 2004 when textiles exports quota were discontinued.

Table 1.3

Installed Capacity and Production of Man-Made Staple Fibre/Filament Yarn

<table>
<thead>
<tr>
<th>Type</th>
<th>No.of units</th>
<th>Installed capacity (tpa) (as on 31.03.07)</th>
<th>2005-06</th>
<th>Production (Mn. Kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>2006-07(E)</td>
<td>2007-08(P)</td>
</tr>
<tr>
<td>Staple Fibre</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Viscose</td>
<td>3</td>
<td>328.8</td>
<td>229</td>
<td>230</td>
</tr>
<tr>
<td>Polyester</td>
<td>17</td>
<td>1294.6</td>
<td>628</td>
<td>754</td>
</tr>
<tr>
<td>PP</td>
<td>4</td>
<td>9.7</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Acrylic</td>
<td>7</td>
<td>162.9</td>
<td>108</td>
<td>131</td>
</tr>
<tr>
<td>Total</td>
<td>31</td>
<td>1796</td>
<td>968</td>
<td>1117</td>
</tr>
<tr>
<td>Filament</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nylon</td>
<td>7</td>
<td>654.4</td>
<td>37</td>
<td>38</td>
</tr>
<tr>
<td>Polyester</td>
<td>43</td>
<td>2164.14</td>
<td>1076</td>
<td>1225</td>
</tr>
<tr>
<td>PP</td>
<td>17</td>
<td>116.2</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>Viscose</td>
<td>7</td>
<td>80.1</td>
<td>53</td>
<td>53</td>
</tr>
<tr>
<td>Total</td>
<td>74</td>
<td>3014.84</td>
<td>1178</td>
<td>1331</td>
</tr>
</tbody>
</table>

E = Estimated
P = Provisional
Source: ASFI.

64% in last five years. The volume of exports, as compared to certain other countries, could not register a faster growth due to various reasons like constraints of infrastructure, high power and transaction cost, incidence of state level cess and duties, lack of state-of-the-art technology etc.

SCHEME FOR INTEGRATED TEXTILE PARKS (SITP)

The 'Scheme for Integrated Textile Parks (SITP)' is being implemented to facilitate setting up of textile units with appropriate support infrastructure. Industry Associations / Group of Entrepreneurs are the main promoters of the Integrated Textiles Park (ITP).

Scope of the Scheme

The scheme targets industrial clusters/locations with high growth potential, which require strategic interventions by way of providing world-class infrastructure support. The project cost covers common infrastructure and buildings for production/support activities, depending on the needs of the ITP. The components of an ITP are:

(a) **Group A - Land.**

(b) **Group B - Common Infrastructure**

like compound wall, roads, drainage, water supply, electricity supply including captive power plant, effluent treatment, telecommunication lines etc.
(c) **Group C** - Buildings for common facilities like testing laboratory, design center, training center, trade center/display center, warehousing facility/raw material depot, creche, canteen, workers hostel, offices of service providers, labour rest and recreation facilities etc.

(d) **Group D** - Factory buildings for production purposes.

(e) **Group E** - Plant & machinery.

The total Project Cost for the purpose of this Scheme includes the cost on account of components of ITP, as listed under Groups A, B, C and D above, provided the ownership of the factory buildings vests with the SPV. The SPV has, however, the option of seeking financial support from Government of India for components under Groups B and C only, if factory buildings are individually owned.

**Progress**

Forty (40) textiles park projects have been approved by the Ministry of Textiles. State-wise sanction of project is - Andhra Pradesh (6), Gujarat (7), Karnataka (1), Madhya Pradesh (1), Maharashtra (9), Punjab (3) Rajasthan (5), Tamil Nadu (6), and West Bengal (1). These Parks would have facilities for spinning, sizing, texturising, weaving, processing, apparels etc. The estimated project cost (for common infrastructure and common facilities) is Rs. 4199.35 Crore, of which Government of India assistance under the scheme would be Rs. 1438.03 Crore. 2171 entrepreneurs will put up their units in these parks covering an area of 4611 Acre. The projected investment in these parks is Rs. 21,700 Crore and estimated annual production is Rs 38,717 Crore. After these parks are fully operational there would be employment available for 9.19 lakh persons (3.68 lakh direct & 5.51 indirect). So far assistance of Rs. 577.68 Crore has been provided for execution of these projects. The promoters of these textiles park projects have brought in Rs.1000 Crore (approx.) as their contribution. The Palladam HiTech Waving Park, Tamil Nadu, was the first park to be inaugurated in April 2008. The second park, namely, Pochampally Handloom Park, Andhra Pradesh was inaugurated on November 16, 2008. Komarapalayam HiTechweaving Park, Komarapalayam, Tamil Nadu was inaugurated on 21.02.2009. In Dodballapur Integrated Textile Park, Banaglore, Karnataka, Rapier Weavers’ training facility was inaugurated on February 28, 2009. Brandix India Apparel City, Vishakhapatnam, Andhra Pradesh is also complete. Three more projects namely Gujarat Eco Textile Park, Surat, Gujarat, Dodballapur Integrated Textile Park, Banaglore, Karnataka and Pride India Cooperative Textile Park, Ichalkaranji, Maharashtra are also nearing completion. Most of the remaining projects are likely to be completed in 2009 / 10.

**THE DECENTRALIZED POWERLOOM SECTOR**

The decentralized Powerloom Sector plays a pivotal role in meeting the clothing needs of the country. The powerloom industry produces a wide variety of cloth, both grey as well as processed. Production of cloth as well as generation of employment has been rapidly increasing in the powerloom sector. There are 21.55 lakh powerlooms in the country as on 31st December, 2008 distributed over approximately 4.82 lakh units. The powerloom sector contributes about 62% of the total cloth production of the country, and provides employment to about 54.00 lakh persons. More than 60% of the cloth meant for export comes from the powerloom sector.

The estimated number of powerlooms in
the decentralised sector in the country till December, 2008 was 21,58,362.

**COTTON**

Cotton is one of the principal crops of the country, plays a vital role in the Indian economy providing substantial employment and making significant contributions to export earnings. It engages around 6 millions farmers, while another about 40-50 million people depend on activities relating to cotton cultivation, cotton trade and its processing for their livelihood. It is the principal raw material for the domestic textile industry comprising 1608 spinning mills and 200 composite mills, with an installed capacity of 35.61 million spindles, 4,48,000 Open End Rotors and 69,000 looms in the organized sector plus another 1219 small scale spinning units with 4.00 million spindles and about 1,57,226 Rotors in the small scale decentralized sector. Cotton has turned out to be an incredibly good performer in the country's agricultural sector. India ranks first in cotton-cultivated area and second in production among all cotton producing countries in the world, next to China and the USA.

India has brought about a qualitative and quantitative transformation in the production of cotton since her independence. During the year 2008-09, the cotton production in the country was estimated to be 290 lakh bales as against the production of 315 lakh bales during the previous year. India has the distinction of having the largest area under cotton cultivation at around 9 million hectares and constitutes around 25% of the total world. However, in productivity (591 kg lint/ha), India is far behind many countries (USA: 912 kg/ha, China: 1251 kg/ha and World Average: 766 kg/ha). One of the major reasons for low yield is that 65% area under cotton is rain fed. The country's cotton output for the cotton season 2006-07 cotton season, cotton yield of about 520 kg/hectare which reached at 560 in 2007-08 and 526 in 2008-09. With the further possibility of higher use of Bt seeds/Hybrid seeds and a decline in the cost of such seeds, it is projected that by the terminal year of XI Five year plan (2007-2012), the yield per hectare will increase to 700 kgs and cotton production will reach the level of 390 lakh bales.

**TECHNOLOGY MISSION ON COTTON**

The Technology Mission on Cotton (TMC) was launched by the Government of India on 21st February 2000 with the aim of addressing issues relating to the increase in productivity, improvement of quality and reduction in the cost of production and thus providing the much-needed competitive advantage to the textile industry along with ensuring attractive returns to the farmers.

The Scheme completed its tenure till 10th Five Year Plan i.e., up to 31st March 2007. However, the Scheme MM III and IV of TMC has been further extended in the 11th Five Year Plan for two years i.e. upto 31.3.2009 in terms of target and completion of the ongoing projects. The matter is now being taken for consideration of Empowered Committee.

The Missions comprises of four Mini Missions, which are jointly being implemented by the Ministries of Agriculture and Textiles. Research and Development on Cotton and Dissemination of technology to farmers are being undertaken by the Ministry of Agriculture through Mini Missions I and II respectively. Ministry of Textiles is the Nodal Agency for Mini Missions III & IV of TMC. Mini Mission III relates to improvement in marketing infrastructure and includes the revival of dormant market yards, improvement in existing market yards and setting up of new market yards.
Progress of TMC (MM-III & IV) (September, 2008)

Under MM-III, development of 250 market yards has been sanctioned and 161 have been completed. The total cost of the sanctioned project is Rs. 491.30 crores out of which the TMC share is Rs. 253.98 crore.

Under MM-IV, Modernization of 993 Ginning and Pressing Factories have been sanctioned and 829 have been completed. The Total cost of the sanctioned Projects is Rs. 1448.64 crores out of which the TMC Share of Rs. 227.07 crore.

Fund allocated to TMC (MM-III & IV) during the year 2008-09 was Rs. 50 crore & during current year i.e. 2009-10 is Rs. 50 crore.

THE JUTE AND JUTE TEXTILES INDUSTRY

The Jute Textiles Industry occupies an important place in the national economy. It is one of the major industries in the eastern region, particularly in West Bengal. It supports nearly 4 million farm families, besides providing direct employment to about 2.6 lakh industrial workers and livelihood to another 1.4 lakh persons in the tertiary sector and allied activities. The production process in the Jute Industry goes through a variety of activities, which include cultivation of raw jute, processing of jute fibres, spinning, weaving, bleaching, dyeing, finishing and marketing of both, the raw jute and its finished products. The Jute Industry is labour intensive and as such its labour-output ratio is also high in spite of various difficulties being faced by the industry. Capacity utilization of the industry is around 75 per cent. These apart, the jute industry contributes to the export earnings to the tune of nearly Rs.1,200 crore annually. The estimated raw jute productions during the jute year 2008-09 (July-June) is estimated at 82 lakh bales (1 bale = 180 kg.). There are 77 composite jute mills in India, of which 60 jute mills are located in West Bengal, 3 each in Bihar and U.P., 7 in Andhra Pradesh and 1 each in Assam, Orissa, Tripura and Chattisgarh. Ownership- wise division is: 6 mills are under Government of India, 1 mill (Tripura) is under State Government, 2 mills (Assam & New Central) are in the co-operative sector, and 68 are in private sector.

EXPORT AND IMPORT OF JUTE GOODS

The exports of jute goods, including flour coverings, diversified jute products, jute yarns Hessian was US$ 279.22 million (Rs. 1,271 crore) during financial year 2008-09 (April 2008-February 2009). The jute exports have shown a grow of 5% in rupee terms on year to year basis. The export during financial year 2007-08 was US$ 326.09 million (Rs. 1,313 crore). During 2007-08, the volume of import of jute goods stood at 57.69 thousand M.T. valued at Rs.138.09 crore against 60.93 thousand MT valued at Rs.171.63 crore in 2006-07. The import of Jute goods during 2008-09(April/December) has increased by 31% to 46.84 thousand M.T. as against 35.78 thousand M.T. in the corresponding period of last year.

THE SERICULTURE AND SILK TEXTILES INDUSTRY

India continues to be the Second largest producer of silk in the World. Among the four varieties of silk produced, as in 2007-08, Mulberry accounts for 88.7% (16245 MT), Eri 8.4%(1530 MT), Tasar 2.3%(428 MT) and Muga 0.6% (117MT) of the total raw silk production in the country.

Sericulture is an important labour-intensive and agro-based cottage industry, providing gainful occupation to around six million persons in rural and semi-urban areas in India. Of these, a
sizeable number of workers belong to the economically weaker sections of society. There is substantial involvement of women in this Industry.

THE WOOL AND WOOLEN TEXTILES INDUSTRY

The Wool and Woolen Textiles Industry is a rural based, export oriented industry in which the organized sector, the decentralized sector, and the rural sector complement each other. The industry provides employment to approximately 27 lakh work force in a wide spectrum of wool related activities. The country is the seventh largest producer of wool and contributes 1.8% to total world production. The production of indigenous raw wool in 2007-08 was 45 mn kg. of the total production of raw wool, 5% is apparel grade, 85% carpet grade, and 10% coarse grade. Since the domestic produce is not adequate, the industry is dependent on imported raw material. Wool is the only natural fibre in which the country is deficient.

A small quantity of specialty fibre is obtained from Pashmina goats and Angora rabbits. There are 958 woolen units in the country, the majority of which are in the small scale sector. During the XIth Five Year Plan period, the Government is implementing the following Schemes: (i) Integrated Wool Improvement & Development Programme (IWIDP), (ii) Quality Processing of Wool and (iii) Social Security Scheme. The Schemes are being administered in the major wool producing States by the Central Wool Development Board (CWDB), Jodhpur, through respective State Government Organizations/ NGOs, Societies etc.

HANDLOOMS

The handloom sector plays an important role in the country’s economy. It is one of the largest economic activities after agriculture. This sector today, with about 35 lakh looms, provides employment to 65 lakh persons out of which about 60.6% are women and about 36% belong to scheduled castes and scheduled tribes. The traditional handloom weaving in India has been kept alive by those professionally skilled weavers household, which inextricably is linked with the age-old tradition of weaving. However, the sector is beset with various problems, such as obsolete technology, unorganized production system, low productivity, inadequate working capital, conventional product range, weak marketing links, overall stagnation of production and sales and above all, competition from powerlooms and mill sector.

The rise in yarn prices have always been causing considerable hardship to the weavers all over the country as, yarn being a free market commodity, its prices are governed by laws of demand and supply. The Government of India has been initiating effective measures to bring down yarn prices and to ensure steady supply. To ensure steady availability of yarn, a statutory obligation has been imposed on the spinning mills to pack not less than 40% of their total marketable yarn in the form of hanks. There are further stipulations that atleast 80% of such yarn packed should be in the counts of 40s and below.

While the Government’s endeavor is to create conditions for the harmonious growth of the entire textile industry, at the same time it would also like to ensure that there is a well defined and delineated area for handlooms, which is not unduly encroached by the powerlooms and mills. This is achieved by effective implementation of the Handloom Reservation Order.

In order to increase production of such
fabrics on handloom, which have unique characteristics with sophisticated designs and finish, innovations and improvisation is necessary. Unless the base is sustained and strengthened, its quintessential products cannot be augmented. To cater to the needs of training and extension, research and development, Government of India has set up 25 Weavers' Service Centres and 5 Indian Institutes of Handloom Technology. These Centres are involved in the areas of product/design development, modernization of looms and accessories, improvement in techniques of weaving and associated activities, training and upgradation of skills besides providing consultancy services to the State Handloom agencies.

Apart from the above measures, a large number of other developmental and welfare measures have also been initiated by the Government of India resultant to which the declining trend in production in the handloom sector had been arrested. Production in the handloom sector recorded a figure of 6947 million sq. meters in the year 2007-08, which is about 26.47% over the production figure of 5493 million sq. meters recorded in the year 2003-04. During 2008-09, production in the handloom sector is reported to be 6,677 million sq. meters.

HANDICRAFTS

The Handicrafts Sector plays a significant & important role in the country's economy. It provides employment to a vast segment of craftpersons in rural & semi urban areas and generates substantial foreign exchange for the country, while preserving its cultural heritage. Handicrafts have great potential, as they hold the key for sustaining not only the existing set of millions of artisans spread over length and breadth of the country, but also for the increasingly large number of new entrants in the crafts activity. Presently, handicrafts contribute substantially to employment generation and exports. The Handicraft sector has, however, suffered due to its being unorganized, with the additional constraints of lack of education, low capital, poor exposure to new technologies, absence of market intelligence, and a poor institutional framework. In spite of these constraints, sector has witnessed a significant growth of 3% annually. Some of the promising areas in the crafts sector during the 10th Plan had been:

- Exports continued to grow for high value-added crafts products.
- Consumer tastes changed rapidly on account of economic liberalization.
- Focus on quality and product diversification with increasing consumer awareness.
- Increasing challenge offered by availability of mass-produced competing product lines using different raw materials (often man-made) and mechanized production techniques.
- Government policy envisaged a greater role for NGOs, and participation of private resources - both human & financial.

2. The Working Group on Textiles and Jute has projected a growth of employment in the Handicrafts sector @ 3% annually during Xth Five Year Plan. Thus, it is presumed that the total employment in the sector as at the end of 10th plan is 67.70 lakhs, which at the beginning of the 10th plan was 60.16 lakhs, showing an annual growth rate of about 3%. The Sub Group on handicrafts for 11th Plan has expected this employment to reach 80 lakhs by the end of 11th Plan which at present is estimated at 71.81 lakhs.
The plan expenditure during the period also witnessed a steady growth increasing from Rs.71.65 crores in 2002-03 to Rs.206.00 crores in 2008-09. The production during the period 2002-03 has decreased from Rs.19,564.52 crores to Rs.19,375.88 crores during the year 2008-09 although in the intervening period it had shown a rise in the graph of production in view of increase in exports which started decreasing from the year 2006-07 due to rupee appreciation against US $ & recession in World Economy. The exports during the period decreased from Rs.12,434.38 crores in the year 2002-03 to Rs.10,891.85 crores at the end of the year 2008-09 registering a cumulative decline of 12.40%. The budget outlay for the year 2009-10 has been proposed for Rs.220 crores.

Handicrafts activity being a State subject, its development and promotion are the primary responsibility of every State Government. However, the Central Government is supplementing their efforts by implementing various developmental schemes.

**NATIONAL AWARD FOR MASTER WEAVERS AND MASTER CRAFTPERSONS AND SHILPGURU AWARDS**

The Office of Development Commissioner for Handlooms and Office of Development Commissioner for Handicrafts are jointly implementing the scheme of National Award for Master weavers and Master Craftpersons since 1965.

The National Awards are being conferred to the Craftspersons and weavers in recognition of their outstanding contribution, craftsmanship & development of craft. This recognition will encourage them to continue with the pursuit of their craft activities in a more enthusiastic and productive manner and will ultimately encourage others to emulate them.

All craftsmen and weavers residing in India are eligible to compete for National Award.

Each award shall consist of a cash prize of Rs. 1,00,000/-, a copper plaque and an Angavastram.

The Shilp Guru Award for master craftpersons was introduced during the year 2002 on the occasion of “Golden Jubilee Year of Handicrafts Resurgence in India”. Shilp Guru Award are being conferred to legendary master craftpersons of handicrafts whose work and dedication have contributed not only to the preservation of rich and diverse craft heritage of the country but also to the resurgence of handicrafts sector as a whole.

Any Indian master craftpersons who is either a National Awardees or a State Awardees of exceptional standing or master craftpersons of extraordinary skills and having immense contribution to handicrafts sector and who is not below the age of 55 years is eligible for the Award provided he/she has contributed significantly to the welfare and development of the craft and craft community.

Each award consists of one mounted gold coin, one shawl, one Tamrapatra and a citation. In addition, appropriate financial assistance is given to each selected Shilp Guru to innovate and create 10 new products of high level of excellence, high aesthetic value and high quality befitting the stature of the Guru.

The National Awards to the 77 Mastercraftpersons and Weavers for the year 2005 and 2006 alongwith 07 Shilp Guru Awards to handicrafts artisans for the year 2006 were conferred by the Hon’ble President of India in a special ceremony in Vigyan Bhawan, New Delhi at 12.00 noon on 15.12.2008.
SARDAR VALLABHBHAI PATEL INSTITUTE OF TEXTILE MANAGEMENT, COIMBATORE

Sardar Vallabhbhai Patel Institute of Textile Management was set up on December 24, 2002 as a national level Institute for Textile Management at Coimbatore, Tamil Nadu to prepare the Indian Textile Industry to face the challenges of the Post-MFA era and enable it to establish itself as a leader in the global textiles trade.

NATIONAL TEXTILE CORPORATION LIMITED

The National Textile Corporation Limited (NTC) was incorporated in April, 1968 to manage the affairs of the private sector sick textile mills, which were taken over by the Government under the three Nationalization Acts (first the Sick Textile Undertakings (Nationalization) Act, 1974, thereafter the Swadeshi Cotton Mills Company Limited (Acquisition and Transfer of Undertakings) Act, 1986 and then the Textile Undertakings (Nationalization) Act, 1995).

It was also proposed to rehabilitate and modernize these mills after the takeover and expand them wherever necessary with a view to make them economically viable. NTC(H C) Ltd., the Holding Company, having its registered office at New Delhi, was managing its mills through 9 Subsidiary Corporations, having 119 mills initially.

Initially NTC Ltd. had an Authorised capital of Rs.10.00 crores which is now Rs.5000 crores as on 31 March, 2008 with the paid up capital of Rs.3062.16 crores.

REHABILITATION OF NTC

Eight out of nine Subsidiaries of NTC were referred to BIFR under the provisions of the Sick Industrial Companies Act (Special Provisions) during 1992-94 on account of continuous loss. The BIFR
approved the Rehabilitation Scheme for these Subsidiaries in February/July 2002 and the 9th Subsidiary was also referred to BIFR in October, 2002. The BIFR sanctioned Revival Scheme for all the 9 Subsidiaries allowed the Company to close down all unviable mills and to revive the viable units. The Company has so far closed 76 unviable mills and is in the process of reviving 24 mills directly by NTC and 19 mills through joint venture route with strategic partners. The original Rehabilitation Scheme approved by BIFR and modified in September 2006 was revised in 2008 on the basis of the developments that had taken place in the textile sector. All the 9 Subsidiaries were merged with the Holding Company and NTC is today a single Company as against 10 companies in the past.

CENTRAL COTTAGE INDUSTRIES CORPORATION OF INDIA LTD., NEW DELHI (CCIC)

The Central Cottage Industries Emporium was established in Delhi in the year 1952 under the management of Indian Cooperative Union and was later on taken over by Central Cottage Industries Association in 1964 and was incorporated as Central Cottage Industries Corporation of India Ltd. (CCIC) on February 4, 1976. CCIC is under the administrative control of Ministry of Textiles.

The main objective of CCIC is to be a dealer, exporter, manufacturer and agent of quality Indian handicrafts and handlooms and to develop markets for these products in India and abroad. The Corporation has five-showrooms viz. at Delhi, Kolkata, Mumbai, Bangalore, and Chennai. Besides, CCIC has two franchise outlets in Gurgaon and Patna and an overseas franchise showroom at Copenhagen, Denmark.

The authorized capital of the Corporation is Rs.1200 lakhs and the paid-up capital is Rs.1085 lakhs.

The turnover of the Corporation for the year 2008-09 was Rs.6854 lakhs (Prov.) as against Rs.8493.34 lakhs in the previous year i.e. 2007-08.

The total exports of the Corporation during 2008-09 were Rs.277 lakhs (prov.) as compared to Rs.342.48 lakhs in the previous year.

The Gross Profit during the year 2008-09 decreased from Rs.3288.93 lakhs in the previous year to Rs.3289 lakhs (prov.) in the current year. The year 2008-09 ended with a pre-tax profit of Rs.85 lakhs (prov.) as against corresponding profit of Rs.698.25 lakhs during the previous year.

NATIONAL INSTITUTE OF FASHION TECHNOLOGY (NIFT)

The National Institute of Fashion Technology was set up in 1986 as an autonomous Society in collaboration with the Fashion Technology (FT), New York, to train professionals to meet the requirements of the textiles industry. The Institute has pioneered the evolution of fashion business education across the country through its network of seven centres at New Delhi, Bangalore, Chennai, Gandhinagar, Hyderabad, Kolkata and Mumbai. A Centre at Rae Bareli has been added from academic year 2007-08 and four Centres at Patna, Bhopal, Shillong and Kannur have been added from academic year 2008-09. NIFT’s first overseas Centre has also commenced operation in Mauritius from Academic year 2008-09. NIFT, besides conducting regular professional undergraduate and postgraduate programmes in Design, Management and Technology, also offers
short duration part-time courses under its Continuing Education (CE) Programme.

The National Institute of Fashion Technology Act, 2006 came into force on July 14, 2006 and comes into effect from 1st April, 2007. The Act provides statutory status to the Institute and formally recognizes its leadership in fashion technology sector, and empowers NIFT to award degrees to its students. NIFT is the first institute in the world to award degrees in fashion education.

Statutory Status

NIFT Act 2006 has accorded statutory status for the promotion and development of Education & Research in Fashion Technology with the President of India as the Visitor. The Act signifies public confidence in NIFT as a thought leader, with ‘fashion’ (defined in a much wider context) as a business strategy for value addition.

NIFT is supported by the Ministry of Textiles and governed by the Board of Governors (BOG) and its Chairperson nominated under NIFT Act, 2006. The Director General is the Chief Executive Officer of the Institute with Head Office and a network of twelve Centres.

Thought leadership in fashion technology education

NIFT has been instrumental in bringing about a paradigm shift in the perception of ‘fashion’ in India, with its connotation extending beyond the conventional apparel industry, to integrate with every aspect of the lifestyle industry. Fashion today encompasses popular trend or a lifestyle, specially in styles of dress and ornament or manners of behaviour or the business of creating, promoting or studying styles in vogue or the designing, production and marketing of new styles of goods such as, clothing, accessories, craft and cosmetics, thus adding tremendous value to diverse industry and businesses.

NIFT have pioneered major changes in the industry in strategy, approach, technology upgradation, design intervention and management practices, in the face of liberalization and globalization of the economy.

ACTIVITIES RELATING TO PROGRESSIVE USE OF OFFICIAL LANGUAGE

Meetings of the Official Language Implementation Committee

The Ministry regularly organizes meetings of the Official language Implementation Committee (OLIC), chaired by the concerned Joint Secretary of the Ministry. The last quarterly meeting was held on March 26, 2009.

Organization of Hindi Fortnight

A Hindi Fortnight was organized from September 14-28, 2008, wherein various competitions such as Essay writing, Noting and Drafting, Debate, Quiz, Dictation, Typing and Poetry, recitation, etc. in Hindi were held. The Officers and Staff of the Ministry participated in these competitions. In order to inculcate interest in Hindi, and also to encourage the progressive use of Hindi in day-to-day work, prizes were given to the winners by Secretary (Textiles).

Meeting of Hindi Salahkaar Samiti

The meeting of Hindi Salahkar Samiti of Ministry of Textiles was held under the chairmanship of Shri Shankersinh Vaghela, Hon’ble Minister of Textiles on January 22, 2009, at Amritsar. The decisions taken in the said meeting have been implemented. The meeting proved useful in implementing the use of Hindi in the Ministry and offices under its administrative control, including attached office.
CHAPTER II

FUNCTIONS & ORGANISATIONAL SET-UP
CHAPTER II

FUNCTIONS & ORGANISATIONAL SET-UP

The Ministry of Textiles is responsible for policy formulation, planning, development, export promotion and trade regulation of the Textiles Industry. This includes all natural and manmade cellulosic fibres that go into the making of textiles, clothing, and handicrafts. The matters relating to non-cellulosic synthetic fibres and filament yarns, such as nylon, polyster acrylic, and poly-propylene are under the administrative control of Ministry of Chemicals and Petrochemicals. The Ministry maintains an interactive website: www.texmin.nic.in.

The Ministry is headed by a Secretary, who is assisted in the discharge of his duties by four Joint Secretaries, an Economic Advisor, and the Development Commissioners for Handlooms and Handicrafts, the Textiles Commissioner and the Jute Commissioner.

Objectives

● To make available adequate raw material to all sectors of Textiles Industry.

● To augment the production of fabrics at reasonable prices from the organised and decentralised sectors.

● To lay down guidelines for a planned and harmonious growth of various sectors with special emphasis on the development of the handlooms sector due to its large employment potential.

● To monitor the the techno-economic status of the industry and to provide the requisite policy framework for modernisation and rehabilitation.

Functional Areas

● The Textiles Policy & Coordination

● The Man-made Fibre/Filament Yarn Industry

● The Cotton Textiles Industry

● The Jute Industry

● The Sericulture and Silk Textiles Industry

● The Wool & Woollen Textiles Industry

● The Decentralized Powerlooms Sector

● The Export Promotion

● Handicrafts

● Handlooms

● The Planning & Economic Analysis

● The Integrated Finance Matters

● The Information Technology.

1. ATTACHED OFFICES

(i) The Office of the Development Commissioner for Handlooms, New Delhi

The Office is headed by the Development Commissioner for Handlooms. It administers various schemes for the promotion and development of the handlooms sector and supplements to the efforts of State Governmens, Societies, NGOs, etc. Its subordinate organisations include Weavers’ Services Centres (WSCs), the Indian Institutes of Handloom Technology (IIHT) and the Enforcement Machinery for the
implementation of the Handlooms (Reservation of Articles for Production) Act, 1985.

(ii) Office of the Development Commissioner for Handicrafts, New Delhi

The office is headed by the Development Commissioner for Handicrafts. It administers various schemes and functions to promote the development and export of handicrafts, and supplements the efforts of State Governments by implementing various developmental schemes. It has six regional offices at Mumbai, Kolkata, Lucknow, Chennai, Guwahati, and New Delhi.

2. SUBORDINATE OFFICES

(i) Office of the Textiles Commissioner, Mumbai

The office of the Textiles Commissioner (TXC) has its headquarters at Mumbai and eight regional offices at Amritsar, Noida, Kanpur, Kolkata, Bengaluru, Coimbatore, Navi Mumbai and Ahmedabad. The Textiles Commissioner acts as the principal technical advisor to the Ministry. The Office of Textiles Commissioner carries out techno-economic surveys and advises the Government on the general economic health of the textiles industry. The developmental activities of the Office of the Textiles Commissioner centre around planning for the growth and development of the textiles sector. Of the forty four Powerloom Service Centres (PSCs) functioning throughout the country, fourteen are functioning under the administrative control of the Textiles Commissioner. The office of TXC also coordinates and provides guidance to the remaining thirty Powerloom Service Centres, being run by the various Textiles Research Associations and State Government Agencies. The Office also implements and monitors various developmental and promotional schemes like the Technology Upgradation Fund Scheme (TUFS) for the modernization of the Textiles and Jute industry, the Textiles Workers Rehabilitation Fund Scheme (TWRFS), and the Technology Mission on Cotton (TMC), etc.

(ii) Office of the Jute Commissioner, Kolkata

This office is headed by the Jute Commissioner and is entrusted with the responsibility of implementing the policies of the Government in the Jute sector. The Jute Commissioner acts as the principal technical adviser to the Government of India, and gives technical advice to the Ministry on matters relating to the jute industry, including the jute machinery industry.

3. ADVISORY BOARDS

(i) Development Council for the Textiles Industry

The Development Council for the Textiles Industry (DCTI) is an advisory body setup under Section-6 of the Industries (Development & Regulation) Act, 1951, to consider and make recommendations to the Government on matters concerning the Scheduled Textiles Industry. The recommendations include measures for technological upgradation, capacity utilization, availability of raw material, training or retraining of people engaged or proposed to be engaged in the industry, enhanced scientific and technical research, standardization of products, and the collection of statistics from the industry.
for the development of a database for economic planning. The Council was reconstituted on February 23, 2009 for a period of two years under the chairmanship of Shri Direndra Shukla, a non-official member.

(ii) **All India Handicrafts Board**

The All India Handicrafts Board is an advisory body under the chairmanship of the Minister of Textiles, with the Development Commissioner (Handicrafts) as the Member Secretary. It gives its advice to the Government on matters pertaining to the development of the Handicrafts sector. The Board was reconstituted on September 8, 2008, for two years or until further orders whichever is earlier. The Board has eighty-six members, including official and non-official members.

(iii) **All India Powerlooms Board**

The All India Powerlooms Board is an advisory body under the chairmanship of the Minister of Textiles, with the Textiles Commissioner as the Member-Secretary. It has representatives of the Central and State Governments, and powerlooms federations/associations as its members. The functions of the Board include advising the Government on matters concerning growth and development of the decentralized powerlooms sector. The Board was reconstituted on March 15, 2007, for a period of two years. It has twenty-eight members, including official and non-official members.

(iv) **All India Handlooms Board**

The Board is an advisory body under the chairmanship of Minister of Textiles, with the Development Commissioner (Handlooms) as the Member-Secretary. The main function is to advise the Government on various aspects of development of the handlooms sector. The Board was reconstituted on July 30, 2008, for a period of two years. The Board has ninety-three members, including official and non-official members.

(v) **The Cotton Advisory Board**

The Cotton Advisory Board is headed by the Textiles Commissioner and is a representative body of various interest groups like Government agencies, Cotton Growers, Textiles Industry, and Trade. It advises the Government, generally, on matters pertaining to the production, consumption, and marketing of cotton, and also provides a forum for liaison among various stakeholders. The Board was reconstituted on June 26, 2006, for period of two years. At present the Board has fifty-five members, including officials and non-official members.

(vi) **Jute Advisory Board**

The Jute Advisory Board headed by the Jute Commissioner advises the Government on matters pertaining to jute falling within the purview of Jute and Jute Textiles Control Order 2002, including production estimates of jute and mesta. The Board was reconstituted on May 14, 2007 for two years. It has twenty-four members.

(vii) **Coordination Council of TRAs**

The Coordination Council for the Textiles Research Associations has been constituted under the chairmanship of Secretary (Textiles) to coordinate the activities of all the Textiles Research Associations
(TRAs), with a view to promote linkages for the development of the textiles industry and for achievement of national priorities. The functions of the Councils are to assess the ongoing programmes of research associations, identify programmes and priorities keeping in view the overall needs of the industry, including the decentralized sector. It ensures appropriate coordination amongst different research associations, conduct periodical evaluation of the work carried out in cooperative research, and considers systemizing research programmes and funding arrangements so that funding is in conformity with plan priorities, and all other matters connected with the effective functioning of these Research Associations.

4. REGISTERED SOCIETIES

(i) Central Wool Development Board (CWDB), Jodhpur

The Central Wool Development Board (CWDB), Jodhpur was constituted by the Government of India, Ministry of Textiles in 1987 under the Rajasthan Societies Registration Act, 1958 to promote the growth and overall development of wool and the woolen textiles industry in the country. The Board administers various projects and programmes through the State Governments and Non Government Organisations (NGOs). The Board was reconstituted on September 6, 2008, for a period of two years. Shri Sagar Rayka, a non-official member, is the present Chairman of the Central Wool Development Board.

(ii) Sardar Vallabhbhai Patel Institute of Textiles Management (SVPITM), Coimbatore

SVPITM was set-up on December 24, 2002, as a premier National level Institute for Textiles Management at Coimbatore, Tamil Nadu, to prepare the Indian Textiles Industry to face the challenges of post-MFA era and establish it as a leader in the global textiles trade. The sixteen members Board of the Institute was reconstituted on March 13, 2006, for a period of three years.

(iii) National Centre for Jute Diversification (NCJD), Kolkata

The National Centre for Jute Diversification (NCJD) was registered in January 1992 under the Societies Registration Act, 1860, and was established in June 1994, under the Chairmanship of Secretary (Textiles) to give focused attention to the diversification efforts in the jute sector. The NCJD is required to consolidate R&D results of various institutes in the jute and textiles sectors and transmit these to entrepreneurs to develop commercial products. It coordinates with various agencies and helps entrepreneurs in arranging technical, financial, and infrastructural support to encourage them to take up the production and marketing of jute-diversified products (JDP). The twenty five members Council of Governors of NCJD was reconstituted on February 14, 2005.

5. STATUTORY BODIES

(i) Jute Manufactures Development Council (JMDC), Kolkata

The Jute Manufactures Development Council was constituted as a statutory body under the chairmanship of Secretary (Textiles), with effect from May 1, 1984, with the objective to increase efficiency and productivity in the jute industry. JMDC has been delegated all functions relating to
export promotion in the jute sector and to perform other such activities relating to the domestic marketing of Jute Sector as are performed by a Commodity Board. The activities of the Council are funded from grants made available by the Central Government from the proceeds of cess on the production of jute, levied under the Jute Manufactures Cess (Amendment) Act, 2002. The Council was reconstituted on May 21, 2007. It consists of thirty two members, including official and non-official members.

(ii) The Central Silk Board (CSB), Bangalore

The Central Silk Board is a statutory body, and it was constituted by an Act of Parliament (LXI of 1948), with the objective of promoting the growth and development of Sericulture in the country. These programmes are primarily formulated and implemented by the State Sericulture/Textiles Departments. However, the Central Silk Board supplements the efforts of the States by providing necessary support for research and development, and extension and training through its countrywide network of centres. Besides, the Central Silk Board organise the production and supply of quality silkworm seeds, Mulberry cuttings, etc., and also implements various Sericulture projects directly, as well as, jointly with the State Sericulture Departments.

(iii) Textiles Committee, Mumbai

The Textiles Committee was established on July, 1964 under the Textiles Committee Act, 1963, with the objective of ensuring the quality of textiles from both the internal and export markets. Its functions include the promotion of textiles, textiles exports, research in technical and economic fields, establishing standards for textiles and textiles machinery, setting up of laboratories, and data collection located throughout the country. The Textiles Committee, in addition to its headquarters at Mumbai, has thirty Offices to assist the industry and trade in testing their products. The Committee has the following functional divisions at its Headquarters in Mumbai : (1) Textiles Inspectorate Wing (2) Textiles Laboratory Wing (3) Market Research Wing (4) ISO Wing (5) Vigilance Cell (6) Accounts Wing, and (7) Administration and Coordination Wing. The Committee was reconstituted on August 21, 2006, for a period of two years. It consists of twenty members, including official and non-official members.

(iv) Commissioner of Payments (COP), New Delhi

The Office of Commissioner of Payments with its headquarters at Delhi, is a statutory authority, set up under Section 17(1) of the Sick Textiles Undertakings (Nationalisation) Act, 1974, Section 15(1) of the Swadeshi Cotton Mills Company Ltd. (Acquisition and Transfer of Undertakings) Act, 1986, and also under Section 17(1) of the Textiles Undertakings (Nationalisation) Act, 1995. The Commissioner of Payments disburses the amount placed at his disposal to the owners of each textiles undertaking nationalized by the aforesaid three Acts.

(v) The National Institute of Fashion Technology (NIFT), New Delhi

The National Institute of Fashion Technology was set up in 1986 as
an autonomous Society in collaboration with the Fashion Institute of Technology (FIT), New York, to prepare and train professionals to meet the requirements of the textiles industry. The Government brought into force the National Institute of Fashion Technology Act, 2006 on July 14, 2006. This Act provides statutory status to the Institute, and formally recognizes its leadership in the fashion technology sector. The Act empowers NIFT to award degrees to its students from 2007 onwards. The President of India is the Visitor of the Institute. The Institute has pioneered the evolution of the fashion business education across the country through centres at New Delhi, Bangalore, Chennai, Gandhinagar, Hyderabad, Kolkata, Mumbai, Kannur, Patna, Shillong, Kangra, Bhopal and Rae Bareli.

6. THE RIGHT TO INFORMATION ACT, 2005

To promote openness, transparency and accountability in administration and provide the right to every citizen to secure access to information under the control of Public Authorities, the Right to Information Act has come into effect for implementation w.e.f. October 12, 2005. The Act marks the beginning of a new era in the approach of the Government where openness shall now be the rule and secrecy an exception.

Every Citizen can obtain the information they desire by submission of an application and by paying a nominal charge as an application fee, to the Central Public Information Officer designated by the public authority for the purpose under the Act. This Ministry has designated officers as Central Public Information Officers (CPIOs) / Alternate CPIOs and Appellate Authorities.

The Ministry of Textiles, as well as, its Attached & Subordinate Offices, Autonomous & Statutory Bodies and Public Sector Undertakings have completed the action for setting up of the necessary infrastructure for implementation of the Act. Ministry monitors the implementation of the Act by the organizations under the Ministry of Textiles.

7. PUBLIC GRIEVANCE REDRESSAL MACHINERY IN THE MINISTRY

As part of implementation of point twenty (responsive administration) of the Twenty Point Programme, the Department of Administrative Reforms and Public Grievances issues instructions and guidelines to establish, activate, and strengthen the Public Grievances Redressal Machinery (PGRM) in the Ministries, Departments, and other Organisations of the Government of India. In pursuance of these instructions/guidelines, the Public/Staff Grievances Redressal Machinery monitors the redressal of public grievances. Similar arrangements are also being made in each of the attached/subordinate offices of the Ministry of Textiles. A Grievance Committee under the Chairmanship of a Joint Secretary has been formed to monitor the functioning of PGRM in the Ministry, as well as in attached and subordinate organizations. If need be, the files relating to pending grievances are called for and cases are settled by the Committee in its meetings.

The Ministry have taken, the following steps to strengthen the PGRM:

● Time Norms for the disposal of grievance cases have been fixed, and the same have been circulated and displayed at prominent places of the building:

  ✓ Acknowledgement of the complainant within seven days;
  ✓ Final disposal within two months.
Publicity about the PGRM in the media.

The Citizens’ Charter has been formulated and hosted on the Website.

Details about the PGRM have also been placed on the Website of the Ministry (texmin.nic.in).

An Information & Facilitation Counter has been established at Gate No.1 Udyog Bhawan, New Delhi, to make information readily available to customers/consumers.

A complaint box has been kept at the Information & Facilitation Counter.

Details about the PGRM have also been placed on the Website of the Ministry (texmin.nic.in).

The list of Officers handling Public/Staff Grievances in the Ministry of Textiles and its Attached/Subordinate Offices is at table 2.1.

### Table 2.1

**List of Officers handling public/staff grievances in the Ministry of Textiles and its Attached/Subordinate Offices**

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Offices</th>
<th>Public/Staff Grievances Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Ministry of Textiles</td>
<td>Shri Bhupendra Singh, Joint Secretary/Director (Public Grievances), Ministry of Textiles, Udyog Bhavan, New Delhi-110011. Tel.No. 23063192</td>
</tr>
<tr>
<td>2.</td>
<td>Office of the Development Commissioner (Handicrafts)</td>
<td>Shri H.L. Meena, Dy.Director/Public Grievance Officer, O/o DC(HC), WB-7, R.K.Puram, New Delhi - 110066. Tel. No 26103708</td>
</tr>
<tr>
<td>3.</td>
<td>Office of the Development Commissioner (Handlooms)</td>
<td>Shri S.K. Jha, Addl Development Commissioner (HL)/Public Grievances &amp; Redressal Officer, Udyog Bhavan, New Delhi. Tel.No.23063397</td>
</tr>
<tr>
<td>4.</td>
<td>Office of the Textiles Commissioner</td>
<td>Shri Anand Sherkhane, Deputy Director(Prices/Vigilance) Public Grievances Officer, O/o the Textiles Commissioner, New C.G.O. Building, 48, New Marine Lines, Mumbai - 400020. Tel.No.022-22034134</td>
</tr>
<tr>
<td>5.</td>
<td>Office of the Jute Commissioner</td>
<td>Ms. A. Sinha, Dy. Director/Public Grievance Officer, O/o Jute Commissioner, CGO Complex, DF Block, Sector-1, IV Floor, MSO Building, Salt Lake, Kolkata. Tel.No. (91)033 -2438225</td>
</tr>
</tbody>
</table>
## Table 2.2

**LIST OF ORGANISATIONS UNDER THE MINISTRY OF TEXTILES (EXCEPT ATTACHED/SUBORDINATE OFFICES)**

<table>
<thead>
<tr>
<th>Public sector Undertakings</th>
<th>Textiles Research Associations</th>
<th>Export Promotion Councils</th>
<th>Advisory Bodies</th>
<th>Registered Societies</th>
<th>Statutory Bodies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Birds Jute Export Ltd. (BJEL), Kolkata</td>
<td>1. Ahmedabad Textiles Industry’s Research Association (ATIRA), Ahmedabad</td>
<td>1. Apparel Export Promotion Council (AEPc), New Delhi</td>
<td>1. All India Handloom Board</td>
<td>1. Central Wool Development Board (CWDC), Jodhpur</td>
<td>1. Central Silk Board (CSB), Bangalore</td>
</tr>
<tr>
<td>2. British India Corporation (BIC) along with its subsidiaries</td>
<td>2. Bombay Textiles Research Association (BTRA), Mumbai</td>
<td>2. Carpet Export Promotion Council (CEPC), New Delhi</td>
<td>2. All India Handicrafts Board</td>
<td>2. National Centre for Jute Diversification (NCJD), Kolkata</td>
<td>2. Commissioner of Payments (COP), New Delhi</td>
</tr>
<tr>
<td>3. The Central Cottage Industries Corporation of India Ltd. (CCIC), New Delhi</td>
<td>3. Indian Jute Industries Research Association (IJIRA), Kolkata</td>
<td>3. Cotton Textiles Export Promotion Council (TEXPROCIL), Mumbai</td>
<td>3. All India Powerloom Board</td>
<td>3. Sardar Vallabhai Patel Institute of Textiles Management (SVPIIM), Coimbatore</td>
<td>3. Jute Manufacturers Development Council (JMDC), Kolkata</td>
</tr>
<tr>
<td>10.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CHAPTER III

THE ORGANISED TEXTILES MILL INDUSTRY
CHAPTER III

THE ORGANISED TEXTILES MILL INDUSTRY

The Cotton/Man-made fibre textile industry is the largest organized industry in the country in terms of employment (nearly 1 million workers) and number of units. Besides, there are a large number of subsidiary industries dependent on this sector, such as those manufacturing machinery, accessories, stores, ancillaries, dyes & chemicals. As on 31.03.2008, there were 1773 cotton/man-made fibre textile mills (non-SSI) in the country with an installed capacity of 35.01 million spindles, 4,61,000 rotors and 56,000 looms.

Textile production covering man-made fibre, filament yarn and spun yarn showed a minor setback in 2008-09. Man-made fibre production recorded a fall of about 14% and filament yarn production recorded a fall of about 6% during 2008-09. Blended and 100% non-cotton yarn production recorded a fall of about 4% during 2008-09.

Cloth production by mill sector showed an increase of 1% during 2008-09.

During 2008-09 cloth production by handloom, power loom decreased by about 4% and 3%, hosiery sectors production increased by 2%. An overall cloth production decreased by about 2% during 2008-09.

CAPACITY

There were 1773 cotton/man-made fibre textile mills (non-SSI) in the country as on 31.03.2008 with 35.01 million spindles, 461000 rotors and 56000 looms capacity.

CAPACITY UTILISATION IN THE MILL SECTOR

The capacity utilization in the spinning sector of the organized textile mill industry ranged between 80 to 93% while the capacity utilization in the weaving sector of the organized textile mill industry ranged between 41 to 63%.

PRODUCTION OF SPUN YARN

It would be relevant to mention that the contribution from the SSI sector has been about 5% in the total spun yarn production. A statement showing the production of spun yarn (including SSI units) during the last few years is given at table 3.1.

Table 3.1

<table>
<thead>
<tr>
<th>Year</th>
<th>Cotton Yarn</th>
<th>Blended Yarn</th>
<th>100% non-cotton yarn</th>
<th>Total Spun Yarn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-05</td>
<td>2272</td>
<td>951</td>
<td></td>
<td>3223</td>
</tr>
<tr>
<td>2005-06</td>
<td>2521</td>
<td>937</td>
<td></td>
<td>3458</td>
</tr>
<tr>
<td>2006-07</td>
<td>2824</td>
<td>990</td>
<td></td>
<td>3814</td>
</tr>
<tr>
<td>2007-08</td>
<td>2948</td>
<td>1055</td>
<td></td>
<td>4003</td>
</tr>
</tbody>
</table>
SICKNESS/CLOSURE OF TEXTILE MILLS

The incidence of sickness and closure in the organized textiles industry is a matter of concern. Textiles being the oldest and the largest industry of the country, it is but natural that at any given point of time some textiles units could be lying sick / closed. One main reason of sickness is structural transformation resulting in the composite units in the organized sector losing ground to power looms in the decentralised sector, on account of the latter's greater cost effectiveness. Other causes of sickness/ closure of the industry include low productivity due to lack of modernisation, stagnation in demand and inability of some units to expand in the export market, increase in the cost of inputs, difficulties in getting timely and adequate working capital and the availability of power, labour disputes, excess capacity, failure to diversify in emerging areas, poor management, etc. The details of closure of cotton/man- made fibre textile mills is given at table 3.2.

PRODUCTION OF CLOTH & EMPLOYMENT GENERATION

The weaving capacity in the organized sector, along with the number of composite textile mills, however, has stagnated, because the past Government policy permitted only marginal expansion in weaving capacity in the organized mill sector. Even after the removal of restrictions in the Textile Policy of 1985, weaving capacity has been consistently declining. This is attributable to the structural transformation in the industry, leading to the de-linking of weaving from spinning and the emergence of the decentralized powerloom sector. In the organized sector the loomage capacity has declined from 1.23 lakh in March, 2000 to 0.86 lakh in March, 2005, and to 0.56 lakh in March 2008.

Over the years, production of cloth in the mill sector is showing a steady growth since 2003-04 onwards and was 1796 million sq. meter in 2008-09. The total production of cloth by all sectors i.e. mill, powerloom, handloom, hosiery and khadi, wool and silk has shown an upward trend in recent years. During 2007-08 the total production of cloth was 56025 mn. sq. mtrs. However it shows a decline of 2% in 2008-09. The Cloth production in 2008-09 is 54966 mn. sq. mtrs.

The employment generation in cotton/ man-made fibre / Yarn Textile Mill Sector (including SSI spinning and excluding weaving units) textile industry projected for the terminal year of the 11th plan is 14 crore.

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Spinning Mills</th>
<th>No. of composite Mills</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-02</td>
<td>295</td>
<td>126</td>
<td>421</td>
</tr>
<tr>
<td>2002-03</td>
<td>349</td>
<td>134</td>
<td>483</td>
</tr>
<tr>
<td>2003-04</td>
<td>374</td>
<td>94</td>
<td>468</td>
</tr>
<tr>
<td>2004-05</td>
<td>376</td>
<td>99</td>
<td>475</td>
</tr>
<tr>
<td>2005-06</td>
<td>387</td>
<td>96</td>
<td>483</td>
</tr>
<tr>
<td>2006-07</td>
<td>380</td>
<td>87</td>
<td>467</td>
</tr>
<tr>
<td>2007-08</td>
<td>318</td>
<td>63</td>
<td>381</td>
</tr>
</tbody>
</table>

Table 3.2
## Table 3.3
PRODUCTION OF CLOTH IN DIFFERENT SECTORS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotton</td>
<td>1019</td>
<td>969</td>
<td>1072</td>
<td>1193</td>
<td>1305</td>
<td>1249</td>
<td>1260</td>
</tr>
<tr>
<td>Blended</td>
<td>263</td>
<td>253</td>
<td>243</td>
<td>252</td>
<td>330</td>
<td>422</td>
<td>426</td>
</tr>
<tr>
<td>100% Non Cotton</td>
<td>214</td>
<td>212</td>
<td>211</td>
<td>211</td>
<td>111</td>
<td>110</td>
<td>111</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1496</td>
<td>1434</td>
<td>1526</td>
<td>1656</td>
<td>1746</td>
<td>1781</td>
<td>1796</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HANDLOOMS SECTOR</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotton</td>
<td>5098</td>
<td>4519</td>
<td>4792</td>
<td>5341</td>
<td>5717</td>
<td>6076</td>
<td>5840</td>
</tr>
<tr>
<td>Blended</td>
<td>118</td>
<td>117</td>
<td>146</td>
<td>163</td>
<td>99</td>
<td>118</td>
<td>118</td>
</tr>
<tr>
<td>100% Non Cotton</td>
<td>764</td>
<td>857</td>
<td>784</td>
<td>759</td>
<td>720</td>
<td>719</td>
<td>719</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5980</td>
<td>5493</td>
<td>5722</td>
<td>6263</td>
<td>6536</td>
<td>6947</td>
<td>6677</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DECENTRALISED POWERLOOMS SECTOR</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotton</td>
<td>6761</td>
<td>6370</td>
<td>7361</td>
<td>8639</td>
<td>9647</td>
<td>9923</td>
<td>9621</td>
</tr>
<tr>
<td>Blended</td>
<td>4695</td>
<td>4688</td>
<td>4526</td>
<td>4652</td>
<td>5025</td>
<td>4918</td>
<td>4764</td>
</tr>
<tr>
<td>100% Non Cotton</td>
<td>14498</td>
<td>15889</td>
<td>16438</td>
<td>17246</td>
<td>18207</td>
<td>19884</td>
<td>19263</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>25954</td>
<td>26947</td>
<td>28325</td>
<td>30537</td>
<td>32879</td>
<td>34725</td>
<td>33648</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>DECENTRALISED HOSIERY SECTOR</th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotton</td>
<td>6422</td>
<td>6182</td>
<td>7430</td>
<td>8682</td>
<td>9569</td>
<td>9948</td>
<td>10178</td>
</tr>
<tr>
<td>Blended</td>
<td>800</td>
<td>1010</td>
<td>1117</td>
<td>1184</td>
<td>1428</td>
<td>1425</td>
<td>1458</td>
</tr>
<tr>
<td>100% Non Cotton</td>
<td>659</td>
<td>655</td>
<td>565</td>
<td>527</td>
<td>507</td>
<td>431</td>
<td>441</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7881</td>
<td>7847</td>
<td>9112</td>
<td>10393</td>
<td>11504</td>
<td>11804</td>
<td>12077</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ALL SECTORS</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotton</td>
<td>19300</td>
<td>18040</td>
<td>20655</td>
<td>23855</td>
<td>26238</td>
<td>27196</td>
<td>26898</td>
</tr>
<tr>
<td>Blended</td>
<td>5876</td>
<td>6068</td>
<td>6032</td>
<td>6251</td>
<td>6882</td>
<td>6888</td>
<td>6766</td>
</tr>
<tr>
<td>100% Non Cotton</td>
<td>16135</td>
<td>17613</td>
<td>17998</td>
<td>18743</td>
<td>19545</td>
<td>21173</td>
<td>20534</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>41311</td>
<td>41721</td>
<td>44685</td>
<td>48849</td>
<td>52665</td>
<td>55257</td>
<td>54198</td>
</tr>
</tbody>
</table>

| Khadi, Wool & Silk            | 662     | 662     | 693     | 693     | 724     | 768     | 768         |
| **Grand Total**               | 41973   | 42383   | 45378   | 49542   | 53389   | 56025   | 54966       |

*P = Provisional*
TECHNOLOGY UPGRADATION FUND SCHEME (TUFS)

The Technology Upgradation Fund Scheme (TUFS) was commissioned on 01.04.1999 initially for a period of 5 years with a view to facilitate the modernization and upgradation of the textiles industry by providing credit at reduced rates to the entrepreneurs both in the organized and the unorganized sector. The Scheme, which has now been extended up to 31.03.2012, has been fine-tuned to catapult the rapid investments in the targeted segments of the textile industry. TUFS has helped in the transition from a quantitatively restricted textiles trade to market driven global merchandise. It has infused an investment climate in the textiles sector and in its operational life span has propelled investment of more than Rs.1,66,839 crores.

The garmenting, technical textiles and processing segments of the textiles industry have great potential to add value and generate employment. The Working Group on Textiles and Jute Industry for the XI Five Year Plan, constituted by the Planning Commission, has set a growth rate of 16% for the sector, projecting an investment of Rs. 150,600 crore in the Plan period. In this context, it was decided to extend the Technology Upgradation Fund Scheme during the Eleventh Plan period, and to reframe some of the financial and operational parameters of the Scheme in respect of new loans. (Initially, the Scheme was upto 31.03.2004. On the overwhelming response of the industry it was extended till 31.03.2007.) In the Tenth Plan Period (2002-07), Rs. 1,270 crore had been earmarked for the scheme. However, the net utilization of funds under this Scheme was Rs. 2044.17 crore.

The modified techno-financial parameters of the Scheme will infuse capital investment into the textiles sector, and help it capitalize on the vibrant and expanding global and domestic markets, through technology upgradation, cost effectiveness, quality production, efficiency and global competitiveness. It is estimated that this will ensure a growth rate of 16% in the sector. The modified structure of TUFS focuses on additional capacity building, better adoption of technology, and provides for a higher level of assistance to segments that have a larger potential for growth, like garmenting, technical textiles, and processing. The important parameters of the Scheme for the Eleventh Plan period are as follows:

i) The scheme will continue to provide a reimbursement of five percentage points on the interest charged by the lending agency on a project of technology upgradation in conformity with the Scheme. However, for the spinning machinery the reimbursement will be four percentage points.

ii) The scheme will continue to provide cover for foreign exchange rate fluctuation not exceeding 5%. However, for the spinning machinery the coverage will be 4%.

iii) The Scheme will now provide an additional option to the powerlooms units to avail of 20% subsidy under TUFS in lieu of 5% interest reimbursement on investment in TUF compatible specified machinery subject to a capital ceiling of Rs. 200 lakh and a ceiling on subsidy of Rs.20 lakh. A minimum of 15% equity contribution from beneficiaries will be ensured.

iv) The Scheme will now provide 15% subsidy for SSI textile and jute sector in lieu of 5% interest reimbursement on investment in TUF compatible specified machinery subject to a capital ceiling of Rs. 200 lakh and a
ceiling on subsidy of Rs.15 lakh. A minimum of 15% equity contribution from beneficiaries will be ensured.

v) The Scheme will continue to provide 5% interest reimbursement plus 10% capital subsidy for specified processing machinery.

vi) The Scheme will now provide 5% interest reimbursement plus 10% capital subsidy for specified machinery required in manufacture of technical textiles and garmenting machinery.

vii) The Scheme will now provide interest subsidy/capital subsidy on the basic value of the machinery and exclude the tax component for the purpose of valuation in view of the decision for non-subsidizing the taxes.

viii) The Scheme will provide 25% capital subsidy on purchase of the new machinery and equipment for the pre-loom & post-loom operations, handlooms/up-gradation of handlooms and testing & Quality Control equipment, for handlooms production units.

ix) The entire range of imported second hand machinery will now be ineligible under the Scheme for any benefit except automatic shuttleless looms with the value cap of Rs. 8.00 lakh per machine and 10 years' vintage and with a residual life of minimum 10 years.

x) Other investments such as energy saving devices, effluent treatment plant, in-house R&D, IT including ERP, TQM including adoption of ISO/BIS standards, CPP etc (including non-conventional sources) as mentioned in Para 3.3(2) of the existing Scheme will now be eligible for benefits of the scheme only upto 25% of the cost of machinery.

xi) Investments like land, factory building, pre-operative expenses and margin money for working capital will now be ineligible for benefit of reimbursement under the scheme except meant for apparel sector and handlooms with existing 50% cap. In case apparel unit is engaged in other activity, the eligible investment under this head will only be related to plant & machinery eligible for manufacturing apparel.

The Scheme covers spinning, cotton ginning & pressing, silk, reeling & twisting wool, scouring & combing, synthetic filament yarn texturising, crimping and twisting, manufacturing of viscose filament yarn (VFY) / viscose staple fibre (VSF), weaving/knitting including non-wovens and technical textiles, garments, made-up manufacturing, processing of fibres, yarns, fabrics, garments and made-ups, and the jute sector.

Progress of TUFS

The progress of TUFS is steadily going up which is evident from the data given at table 3.4.

Progress of (20% CLCS)

20% Credit Linked Capital Subsidy Scheme under CLCS-TUFS for power loom units had been launched on 6th November 2003. Under the scheme, Rs.149.79 crores has been disbursed to 2164 cases since Nov. 2003 to 31.10.2008 is given at table 3.5.

HANK YARN OBLIGATION SCHEME

The Hank Yarn Obligation (HYO) is a statutory obligation which enjoins upon spinning mills to pack yarn in hank form. This Scheme is meant for protection of the handloom industry by way of ensuring that the yarn in hank form is available in adequate quantity at reasonable prices to the handloom industry. Failure to comply
with this Obligation invites lodging of FIR against the defaulting mills by the Office of the Textile Commissioner. The current level of obligation is 40% of the total yarn packed by the mills for the civil consumption. The obligation has to be fulfilled in quarterly periods commencing from January-March. The Scheme also provides that shortfall in fulfillment of the obligation may be met by transferring of the obligation to another mill which has excess production of hank yarn in addition to fulfilling its own obligation. Normally, mills on premium accept such transfer.

With the strict enforcement of the provisions of the Hank Yarn Packing Notification by the Office of the Textile Commissioner, Mumbai actual packing of Hank Yarn is sufficient and comfortable to

Table 3.4

<table>
<thead>
<tr>
<th>Year</th>
<th>Applications received</th>
<th>Applications sanctioned</th>
<th>Applications disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>Total Cost of project</td>
<td>No.</td>
</tr>
<tr>
<td>1999-2000</td>
<td>407</td>
<td>5771</td>
<td>309</td>
</tr>
<tr>
<td>2000-2001</td>
<td>719</td>
<td>6296</td>
<td>616</td>
</tr>
<tr>
<td>2001-2002</td>
<td>472</td>
<td>1900</td>
<td>444</td>
</tr>
<tr>
<td>2002-2003</td>
<td>494</td>
<td>1835</td>
<td>456</td>
</tr>
<tr>
<td>2003-2004</td>
<td>867</td>
<td>3356</td>
<td>884</td>
</tr>
<tr>
<td>2004-2005</td>
<td>986</td>
<td>7941</td>
<td>986</td>
</tr>
<tr>
<td>2005-2006</td>
<td>1086</td>
<td>16194</td>
<td>1078</td>
</tr>
<tr>
<td>2006-2007</td>
<td>12336</td>
<td>61063</td>
<td>12589</td>
</tr>
<tr>
<td>2007-2008</td>
<td>2408</td>
<td>21254</td>
<td>2260</td>
</tr>
<tr>
<td>2008-2009</td>
<td>5092</td>
<td>43406</td>
<td>5063</td>
</tr>
<tr>
<td>As on 31.03.2009 (P)</td>
<td>24867</td>
<td>169016</td>
<td>24685</td>
</tr>
</tbody>
</table>

Note: The progress during the current year is provisional as only 17 lending agencies have furnished the consolidated progress for the month ending March, 2009 and many other lending agencies have still not furnished the progress.

* - As the cut off date for the cases sanctioned prior to on or before 31st March, 2007 for claiming subsidy under TUFS has been fixed till the quarter ending Dec., 2008, the data upto Dec., 2008 covers units whose project was sanctioned prior to 31st March, 2007.

Table 3.5

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Year</th>
<th>No. of units</th>
<th>Amount of subsidy released (Rs. in lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2003-2004</td>
<td>4</td>
<td>10.00</td>
</tr>
<tr>
<td>2</td>
<td>2004-2005</td>
<td>150</td>
<td>600.00</td>
</tr>
<tr>
<td>3</td>
<td>2005-2006</td>
<td>368</td>
<td>2300.00</td>
</tr>
<tr>
<td>4</td>
<td>2006-2007</td>
<td>958</td>
<td>6889.36</td>
</tr>
<tr>
<td>5</td>
<td>2007-2008</td>
<td>436</td>
<td>3592.00</td>
</tr>
<tr>
<td>6</td>
<td>2008-2009</td>
<td>404</td>
<td>3248.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>2320</td>
<td>16639.36</td>
</tr>
</tbody>
</table>
meet the total domestic requirement of hank yarn in the country as in the recent 57th Hank Yarn Price Monitoring Committee meeting held in the Office of the Textile Commissioner, Mumbai on 07.09.2007, the participant expressed that supply of Hank Yarn is comfortable and there is no report of short supply of hank yarn from any part of the country. The details of Hank Yarn Packing Obligation and its fulfillment by actual packing for the last 5 years is given at table 3.6.

**TEXTILE WORKERS’ REHABILITATION FUND SCHEME (TWRFS)**

The Textile Workers' Rehabilitation Fund Scheme came into force with effect from 15.09.1986 with the objective to provide interim relief to textile workers rendered unemployed as a consequence of permanent closure of any particular portion or entire textile unit. Assistance under the Scheme is payable to eligible workers only for the purpose of enabling them to settle in another employment. Such assistance is not heritable, transferable or capable of being attached on account of any other liabilities of the worker. The worker's eligibility shall cease if he takes up employment in another registered or licensed undertaking. The rehabilitation assistance will not be curtailed if the worker fixes himself in a self-employment venture.

### Closed Textile Unit

For the purpose of this scheme, closed textile unit means:

(i) A unit licensed or registered under the Industries (Development & Regulation) Act, 1951 or with the Textile Commissioner as a medium scale unit on the day of its closure;

(ii) It has obtained the requisite permission for closure from the appropriate State Government under section 25(O) of the Industrial Disputes Act, 1947 or alternatively an Official Liquidator was appointed under Companies Act, 1956, for the purpose of winding up of the unit.

(iii) The unit was closed down on or after 06.06.1985.

(iv) This also includes partially closed units wherein the State Governments recommend that an entire uneconomic activity (like weaving or processing) is scrapped as a part of rehabilitation package for a sick/weak mill (as per the RBI definition) approved by the Nodal Agency/BIFR provided the scrapped capacity is surrendered for cancellation and

**Table 3.6**

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Units submitted the returns</th>
<th>Fulfillment of Hank Yarn Obligation (HYO)</th>
<th>Shortfall (-)/Excess (+) in fulfillment of HYO</th>
<th>Percentage of fulfillment of HYO</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>HYO</td>
<td>Fulfillment of HYO (on actual packing basis)</td>
<td></td>
</tr>
<tr>
<td>2002-03</td>
<td>2275</td>
<td>443.14</td>
<td>423.67</td>
<td>(-)19.47</td>
</tr>
<tr>
<td>2003-04</td>
<td>2214</td>
<td>327.51</td>
<td>357.01</td>
<td>(+)29.5</td>
</tr>
<tr>
<td>2004-05</td>
<td>2151</td>
<td>383.58</td>
<td>408.89</td>
<td>(+)25.31</td>
</tr>
<tr>
<td>2005-06</td>
<td>1942</td>
<td>451.84</td>
<td>441.94</td>
<td>(-)9.9</td>
</tr>
<tr>
<td>2006-07</td>
<td>1992</td>
<td>364.87</td>
<td>361.22</td>
<td>(-)3.65</td>
</tr>
</tbody>
</table>
endorsement is made on the License/Registration certificate to this effect.

**Eligibility**

Any workers would be eligible provided he/she has been engaged in a closed textile unit on the date of its closure continuously for five years or more and earning a wage equivalent of Rs. 2500 per month or less for the mills closed between 06.06.1985 to 01.04.1993 and Rs.3500 or less thereafter. They should be contributing to provident fund maintained by the Regional Provident Fund Commissioner of the State concerned.

**Period and Quantum of Relief**

Relief under the Scheme is available only for three years on a tapering basis but will not extend beyond the date of superannuation of any worker. The worker is entitled to get relief:

- to the extent of 75% of the wage equivalent in the first year of the closure of the unit;
- to the extent of 50% of the wage equivalent in the second year; and
- to the extent of 25% of the wage equivalent in the third year.

**Operation of the Scheme**

The office of the Textile Commissioner, Mumbai administers the scheme, through its Regional offices and in coordination with State Government, Official Liquidator, Provident Fund Authorities, concerned designated Trade Union and designated Banks. The State Government will collect the details of the workers etc. from the management/official Liquidator/provident fund authority etc. and prepare a list of eligible workers and forward the same to the concerned Regional Office of the Textile Commissioner in the prescribed Proforma. Regional Office of the Textile Commissioner scrutinizes the list and the list of eligible workers with eligible relief is sent to State Government and designated trade union, besides keeping on a notice board.

The individual eligible workers are required to open a separate Savings Bank Account in the designated nationalized Bank and forward a certificate to the effect along with his relief claiming application to the Regional office of the Textile Commissioner through the State Government. In the mean time the Regional office of the Textile Commissioner examines the proposals and assesses the fund requirement and reports to the Head quarter Office of the Textile Commissioner for releasing fund.

On receipt of fund allocation, necessary fund is allotted to the Regional Office in the form of Letter of Credit opened by the Pay & Accounts Officer (Textiles) Mumbai. On receipt of funds, Regional Office of the Textile Commissioner disburses the relief by sending a consolidated cheque in favour of the designated Bank along with the list of eligible workers and the amount of relief to be paid to each of the eligible workers.

**Progress**

The annual progress of this scheme is given at table 3.7.

**PROCESSING SECTOR**

The textile-processing segment of the Indian textile industry is highly fragmented and can be broadly divided into four segments:

(i) Hand processing units.

(ii) Hand processing units with certain exempted power processes.

(iii) Independent power processing units.

(iv) Processing facilities attached to composite or semi-composite mills.
Government has identified processing as a critical segment. The National Textile Policy envisages:

- Setting up of modern processing units, which would meet the international quality and environmental norms.
- Expansion of the network of CAD / CAM, computerized color matching and testing facilities, particularly in the clusters of the decentralised textile centers.
- Extending necessary support to individual units in achieving ISO 9000 (quality) and ISO - 14000 (environment) standards
- Giving a thrust to development of eco-friendly dyes, including natural and vegetable dyes and on energy conservation.

Globally the environmental issues are increasingly dominating the textile processing industry. In view of this, and as per mandate of National Textile Policy, the important steps taken by Government to boost the high-tech investment in processing sector include:

(i) A Credit linked capital subsidy @ 10% under Technology Upgradation Fund Scheme (TUFS), in addition to the existing 5% interest reimbursement.

(ii) The rate of depreciation for...
investment in high-tech processing machines increased from 25% to 50%.

(iii) The import duty on specified hi-tech processing machines has been brought down to 5%. The import of such machines permitted under OGL.

(iv) Hi-tech processing machines are permitted under zero duty EPCG Scheme.

(v) In order to take care of quality requirements and facilitate eco-friendly production of processed fabric, eco-testing and quality testing facilities have been created throughout the country with an investment of over Rs.60 crore so far, so that the testing facilities.
CHAPTER IV

EXPORTS
CHAPTER IV

EXPORTS

India’s textiles and clothing industry is one of the mainstays of national economy. It is also one of the largest contributing sectors of India’s exports worldwide. At current prices the Indian textiles industry is pegged at US$ 52 billion, 64% of which services domestic demand. The textiles industry accounts for 14% of industrial production; employs 35 million people and accounts for nearly 12% share of the country’s total exports basket.

Milestones

i) Exports of textiles and clothing products from India have increased steadily over the last few years, particularly after 2004 when textiles exports quota were discontinued.

ii) During 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08 exports were of the order of US$13.5 billion, US$ 14.0 billion, US$ 17.52 billion, US$ 19.15 billion and US$ 22.13 billion respectively, denoting an increase of 64% in last five years. The volume of exports, as compared to certain other countries, could not register a faster growth due to various reasons like constraints of infrastructure, high power and transaction cost, incidence of state level cess and duties, lack of state-of-the-art technology etc. The details of India’s textiles exports item-wise during the last five years and current financial year upto February, 2009 is at Table 4.1.

iii) India’s textiles & clothing (T&C) export registered a robust growth of 25% in 2005-06, recording a growth of US$ 3.5 billion in value terms thereby reaching a level of US$ 17.52 billion and the growth continued in 2006-07 as T&C exports were US$19.15 billion recording a increase of 9.28% over the previous year. Though India’s T&C exports in 2007-08 were badly affected by strong appreciation of the Indian rupee against the US dollar, exports at USD 22.13 billion still managed to record a healthy growth of 15.59% in US dollar terms over 2006-07 In rupee terms the growth was about 2.76%).

iv) Readymade Garments accounts for almost 42% of the total textiles exports. Apparel and cotton textiles products together contribute nearly 72% of the total textiles exports.

v) The exports basket consists of a wide range of items comprising readymade garments, cotton textiles, handloom textiles, man-made fibre textiles, wool and woolen goods, silk, jute and handicrafts including carpets.

vi) India’s textiles products, including handlooms and handicrafts, are exported to more than a hundred countries. However, the USA and the EU, account for about two-third of India’s textiles exports. The other major export destinations are Canada, U.A.E., Japan, Saudi Arabia, Republic of Korea, Bangladesh, Turkey, etc.
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<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Readymade Garment</td>
<td>37506.17</td>
<td>8282.27</td>
<td>36497.79</td>
<td>8282.27</td>
<td>-2.69%</td>
<td>33001.45</td>
<td>8198.71</td>
<td>39132.52</td>
<td>8597.28</td>
<td>18.58%</td>
</tr>
<tr>
<td>RMG of cotton including accessories</td>
<td>31289.51</td>
<td>6909.48</td>
<td>30335.79</td>
<td>7064.98</td>
<td>-3.05%</td>
<td>27139.90</td>
<td>6742.90</td>
<td>31577.06</td>
<td>6957.39</td>
<td>16.35%</td>
</tr>
<tr>
<td>RMG of Man-made fibre</td>
<td>4225.88</td>
<td>933.18</td>
<td>3912.26</td>
<td>882.13</td>
<td>-7.42%</td>
<td>3550.74</td>
<td>862.13</td>
<td>4257.56</td>
<td>935.37</td>
<td>19.91%</td>
</tr>
<tr>
<td>RMG of other textile material</td>
<td>1990.78</td>
<td>439.61</td>
<td>2494.74</td>
<td>519.70</td>
<td>13.01%</td>
<td>2310.81</td>
<td>574.09</td>
<td>3297.90</td>
<td>724.54</td>
<td>42.72%</td>
</tr>
<tr>
<td>Cotton Textiles</td>
<td>25197.20</td>
<td>5564.15</td>
<td>27858.98</td>
<td>6851.84</td>
<td>9.48%</td>
<td>23071.53</td>
<td>5731.77</td>
<td>20132.86</td>
<td>4423.12</td>
<td>-12.74%</td>
</tr>
<tr>
<td>Cotton yarn, fabrics &amp; madeups</td>
<td>10863.39</td>
<td>2398.90</td>
<td>17285.02</td>
<td>3715.80</td>
<td>17.89%</td>
<td>11560.43</td>
<td>2872.01</td>
<td>13874.48</td>
<td>3007.09</td>
<td>18.40%</td>
</tr>
<tr>
<td>Handicrafts</td>
<td>6181.00</td>
<td>1364.91</td>
<td>5841.74</td>
<td>1364.91</td>
<td>-5.49%</td>
<td>5509.34</td>
<td>1368.71</td>
<td>4574.42</td>
<td>1004.98</td>
<td>-16.97%</td>
</tr>
<tr>
<td>Carpets (excluding handmade carpets)</td>
<td>1981.91</td>
<td>437.65</td>
<td>2046.21</td>
<td>478.24</td>
<td>3.24%</td>
<td>1918.43</td>
<td>457.61</td>
<td>1742.93</td>
<td>397.69</td>
<td>-23.66%</td>
</tr>
<tr>
<td>Carpets</td>
<td>4066.73</td>
<td>898.03</td>
<td>3723.42</td>
<td>842.83</td>
<td>-8.44%</td>
<td>3520.79</td>
<td>874.69</td>
<td>3261.78</td>
<td>714.41</td>
<td>-7.64%</td>
</tr>
<tr>
<td>Jute covering of jute</td>
<td>132.36</td>
<td>29.32</td>
<td>121.72</td>
<td>27.12</td>
<td>-2.33%</td>
<td>70.19</td>
<td>17.41</td>
<td>49.71</td>
<td>11.99</td>
<td>-29.08%</td>
</tr>
<tr>
<td>Jute &amp; Coir Manufacturers</td>
<td>660.25</td>
<td>145.80</td>
<td>644.87</td>
<td>145.80</td>
<td>-2.33%</td>
<td>577.81</td>
<td>143.55</td>
<td>609.07</td>
<td>133.81</td>
<td>5.41%</td>
</tr>
<tr>
<td>Jute hessian</td>
<td>1178.39</td>
<td>260.22</td>
<td>1321.87</td>
<td>295.87</td>
<td>11.41%</td>
<td>1210.28</td>
<td>295.87</td>
<td>1270.95</td>
<td>297.69</td>
<td>5.01%</td>
</tr>
<tr>
<td>Total Textiles Exports</td>
<td>86702.65</td>
<td>19146.04</td>
<td>89098.15</td>
<td>19558.53</td>
<td>2.76%</td>
<td>78726.98</td>
<td>19558.53</td>
<td>84278.95</td>
<td>18519.96</td>
<td>7.08%</td>
</tr>
<tr>
<td>% Textile Exports</td>
<td>15.16%</td>
<td>15.16%</td>
<td>15.16%</td>
<td>15.16%</td>
<td>15.16%</td>
<td>15.16%</td>
<td>15.16%</td>
<td>15.16%</td>
<td>15.16%</td>
<td>15.16%</td>
</tr>
<tr>
<td>India's exports of all commodities</td>
<td>577179.29</td>
<td>126262.68</td>
<td>665863.52</td>
<td>143567.86</td>
<td>14.71%</td>
<td>577889.37</td>
<td>143567.86</td>
<td>696497.63</td>
<td>153018.22</td>
<td>20.52%</td>
</tr>
</tbody>
</table>

Source: Department of Commerce, NIC & DGCI&S, Kolkata (Provisional figures)
India's position in the global trade in textiles and clothing

As per the available WTO data, India's percentage share in global textiles and clothing trade was 4% in textiles, and 2.8% in clothing during the year 2007. India's rank in world trade has been 7th in textiles and 6th in clothing.

Liberalised trading regime and emerging opportunities

In the liberalized post-quota period, India has emerged as a major sourcing destination for new buyers. As a measure of growing interest in the Indian textiles and clothing sector a number of buyers opened their sourcing/liaison office in India. These include Marks and Spencer, Haggar Clothing, Kelwood, Little Label, Boules Trading Company, Castle, Alster International, Quest Apparel Inc., etc. Commercially the buoyant retailers across the world are looking for options of increasing their sourcing from the Indian markets. Indian manufacturers are also pro-actively working towards enhancing their capacities to fulfill this increased demand.

Export performance in the current year

In the year 2007-08 the textiles exports of India suffered badly due to sharp appreciation in Rupee vis-à-vis the US$. Although the rupee has depreciated sharply vis-à-vis the US dollar since April, 2008, the exports prospects of the Indian textiles sector continues to be adversely affected. Some of the reasons attributed to this decline are the financial sector melt down and economic slow down in international markets, increased cost of production because of increasing raw material costs, power and other input costs which have affected the profitability of textiles and garments units in India and their exports. The liquidity crunch is another factor that is affecting the industry.

In such a situation the positive impact of rupee depreciation had been washed away. During the current financial year, various export promotion councils and trade bodies represented to the Government that the textiles exports had adversely been affected by recent global recession. For exports, the major markets have been USA, EU & Japan and all the three markets have gone into recession during the current year. As a result, during this year exports quantities were reduced or put on hold or the orders were cancelled.

Country-wise analysis

i) The European Union is the single largest market for India's textiles products, accounting for 34% of India’s total textiles exports, followed by USA which accounts for nearly 25%. Other important countries are the UAE, Saudi Arabia, Canada, Bangladesh, China, Turkey and Japan.

ii) India ranks 3rd in the EU markets of textiles and clothing after China and Turkey, EU's imports of textiles and clothing from India amounted to US$ 9.08 billion during calendar year 2008 registering a growth of about 6.42%. EU imports of T&C from India were of the order of US$ 8.53 billion in the calendar year 2007.

iii) After surpassing Mexico, India ranks 2nd in the US markets of textiles and clothing (January-March 2009) after China with exports of US$ 1.35 billion. During the calendar year 2008, India’s exports of textiles and clothing to the US amounted to USD 5.42 billion compared to US$ 5.45 billion in the calendar year 2007.

iv) The USA, which is India’s single largest market, is currently passing through a recessionary phase. The
US imports of textiles and clothing from China and Mexico, its biggest two suppliers, receded by -2.74% and -15.79% during Jan-Mar'09. During the same period however, India's exports has also registered a decline of 13.92%.

Import Scenario

Total textiles imports were of the order of US$ 3.33 billion (Rs.13418 crore). 49% of this was on account of import of yarn and fabrics and 45% was on account of import of raw material and semi-raw-material. The imports have increased by 17.39% during 2007-08 in dollar terms. However, import of textiles as percentage of total imports has been going down steadily and comprised only 1.39% in 2007-08. During April-December, 2008, the textiles imports amounted to US$ 2.78 billion registering an increase of 12.64% over the corresponding period of previous year.

Export Promotion Measures

The Government is seized of the submissions of the industry and trade associations regarding potential loss of employment in the textiles and clothing industry consequential to declining sales in domestic and international markets. Some of the steps taken by the Government to support the textiles and garments industry include the following:

i) DEPB Scheme extended till May 2009.

ii) Income Tax benefit to 100% EOUs under Section 10B of I.T. Act, being extended by Government for one more year, beyond 31.3.2009.

iii) Customs duty payable under EPCG scheme reduced from 5% to 3%.

iv) Average export obligation under EPCG for Premier Trading Houses shall, as an option, be calculated; based on the average of last 5 years export, instead of the present 3 years.

v) Exports made towards fulfillment of export obligation under EPCG Scheme shall be eligible for incentives/rewards under promotional schemes.

vi) In case of textile and granite sector EOUs, payment of only excise duty on DTA sale, if the use of duty paid imported inputs is up to 3% of the FOB value of exports.

vii) Enhanced duty credit scrip of 2.5% (instead of the normal 1.25% under FPS) would be allowed for export of High value added manufactured products.

viii) Inclusion of 10 more countries within the ambit of Focus Market Scheme.

ix) Measures to reduce transaction cost to the exporters and procedural simplification have also been incorporated.

In addition to the above, the Government announced on 7th December, 2008 and 2nd January, 2009, packages of measures to stimulate the economy. So far as the textiles sector is concerned, the measures, inter-alia, provide for the following:

i) Additional allocation of Rs.1400 crore to clear the entire backlog of Technology Upgradation Fund Scheme (TUFs).

ii) All items of handicrafts to be included under 'Vishesh Krishi & Gram Udyog Yojana (VK&GUY)’.

iii) Across-the-board cut of 4% in the ad-valorem Cenvat rate till 31.3.2009.

iv) Interest subvention of 2% upto 31.3.2009 subject to a minimum of 7% per annum on pre and post-
shipment export credit (since extended to 20.9.09 in the Union Budget 2009-10).

v) Provision of additional funds for full refund of Terminal Excise Duty/ Central Sales Tax.

vi) Enhanced back-up guarantee to ECGC to cover for exports to difficult markets/products.

vii) Refund of Service Tax on foreign agent commissions of upto 10% of FOB value of exports as well as refund of service tax on output service while availing benefits under Duty Drawback Scheme.

viii) Credit targets of Public Sector Banks revised upward to reflect the needs of the economy.

ix) State Level Bankers Committee would to hold meetings for resolution of Credit issues of MSMEs.

x) Guarantee cover under Credit Guarantee Scheme doubled to Rs. 1 crore with cover of 50%.


xii) Duty Drawback on knitted fabrics enhanced retrospectively from 1.9.2008.

EXPORT PROMOTION COUNCILS

Apparel Export Promotion Council (AEPC)

The Apparel Export Promotion Council (AEPC) was sponsored on February 22, 1978 to promote exports of readymade garments from India. The Council was administering the exports entitlements quota in respect of readymade garment items, which were subject to restraint in USA, European Union and Canada. Besides its headquarter at New Delhi, the Council has Regional Offices at New Delhi, Jaipur (Rajasthan), Ludhiana (Punjab), Mumbai (Maharashtra), Chennai and Tirupur (Tamilnadu), Bangalore (Karnataka) and Kolkata (West Bengal).

The Cotton Textiles Export Promotion Council (TEXPROCIL)

The Cotton Textiles Export Promotion Council (TEXPROCIL), Mumbai was incorporated under the Indian Companies Act, VII of 1913 in October, 1954 with the pressing objectives of export promotion of cotton textiles. In the year under review, the Cotton Textiles Export Promotion Council (TEXPROCIL), Mumbai made a number of suggestions for strengthening the export efforts and also to provide data for monitoring exports. The Council continued to disseminate information on demand patterns, consumer preferences, competing products/countries etc. with a view to assist Indian exporters to compete effectively in the overseas markets. The Council also undertakes export promotion measures to project the considerable product range of Indian cotton textiles in India and abroad.

The Synthetic & Rayon Textiles Export Promotion Council (SRTEPC)

The Synthetic & Rayon Textiles Export Promotion Council (SRTEPC), Mumbai was incorporated in 1954 under the Indian Companies Act, 1913 with the basic objectives to establish, promote and operate maintain and increase the export of synthetic and/or cellulosic yarn, etc. In the period under review, the Council provided comprehensive inputs to the Government for modification in export-import policy/procedures as well as disseminated information on demand patterns, fashion trends and prices of competing products in the overseas markets to enable Indian exporters to implement modernized cost-effective manufacturing techniques, product
adaptation and diversification. The Council undertook several export promotion measures to generate greater awareness of Indian man-made textiles among overseas buyers.

Formation of Fashion & Design Promotion Council (FDPC)

During the year, the Ministry of Textiles was instrumental in the setting up of the Fashion & Design Promotion Council (FDPC). The FDPC has been constituted under the Societies Registration Act 1860, and has prominent members of the textiles trade and fashion industry, as members. The FDPC has been primarily set up for promoting young and upcoming talents in the fashion industry as also to give the Indian fashion industry adequate global and domestic exposure.

EXPORT PROMOTION ACTIVITIES OF EPCS

During the year 2008-09, the EPCs continued export promotion activities of textiles exports. These included participation in overseas exhibitions/fairs, organisation of Buyer-seller-Meets (BSMs) abroad, sponsoring trade delegations for consolidating the existing markets and exploring new markets.

Apparel International Mart (AIM)

The Apparel International Mart (AIM) has been constructed at Gurgaon in Haryana with a covered area of 3.5 lakh sq.ft., where International buyers can have the converge at one single source to access their requirements and conduct on-the-spot business. A total of 223 showrooms have been booked against the available 229 showrooms. The events like Market Week and Markets Carnivals were organized during the year by the Council, where the showroom holders displayed their collections. The Apparel House has become an important landmark in Gurgaon, and houses facilities like Auditorium, Exhibition Hall, Art Gallery, Cafeteria, and Plaza Area & Amphitheatre.

Apparel Training & Designing Centres (ATDCs)

The Apparel Training & Designing Centre was registered as a Society under Societies Registration Act on February 15, 1991 at New Delhi with the mission to upgrade the technical skills of the human resource employed in Garment Industry. There are 49 ATDC centres functioning across the country to provide trained manpower in the field of Pattern Making/ Cutting Techniques and Production Supervision and Quality Control Techniques to the Readymade Garment Industry so that quality garments are manufactured for the global market.

NATIONAL MANUFACTURING COMPETITIVENESS COUNCIL (NMCC)

Globally, the manufacturing activities are now acquiring a new dimension. The trend is to source products from low-cost countries (LCCs). This is gaining momentum. India with its past experience, large pool of skilled manpower, established raw material and supply base and growing domestic volumes has the potential to emerge as major manufacturing hub for the global market. To harness the opportunities and the potential, appropriate sector specific interventions with special focus is the need of the hour. Textiles Sector is one such sector which offers immediate opportunities to garner a major share of the global market.

Attaining competitive edge in 'manufacturing' depends critically on mitigating constraints; both the general constraints such as inadequate infrastructure, high transaction costs, higher interest, power and regulatory issues as well as sector specific constraints such as technology upgradation, market
access, duty structure, managerial practices and competitive scales etc. Resolution of these constraints necessitates focused attention and action involving not only inter-Ministerial/Departmental co-ordination but also closer interaction amongst stakeholders viz; industry, input providers, financial institutions, education, research and management institutions.

In the above background and in line with the priorities laid down in the National Common Minimum Programme, the Government has set up the National Manufacturing Competitiveness Council (NMCC). This is an interdisciplinary and autonomous body at the highest level to serve as a policy forum for credible and coherent policy initiatives in manufacturing sector.

NMCC has identified Textiles & Garments (T&G) as one of the priority sectors having high growth potential and higher multiplier effects for employment generation. Timely policy intervention can boost the competitiveness of this sector manifold, as the growth impetus prevailing in the sector is vibrant. Textile and Clothing industry plays a dominant role in the country's economy and has a prominent position in the textile world. It has a total market size of US $52 billion and accounts for 26% of the manufacturing sector, 20% of industrial production and 18% of industrial employment. It contributes 15% to gross export earnings and 4% to national GDP. It provides direct employment to about 35 million persons. Besides, another 50 million people are engaged in allied activities. Market size potential for the industry is envisaged at USD 115 bn by FY 2012. This would create 12 million job opportunities - 5 million direct jobs in textile industry and 7 million jobs in allied sectors. In order to achieve the vision, investments to the tune of Rs. 1,50,600 crore would be required.

NATIONAL INSTITUTE OF FASHION TECHNOLOGY (NIFT)

The National Institute of Fashion Technology was set up in 1986 as an autonomous Society in collaboration with the Fashion Technology (FT), New York, to train professionals to meet the requirements of the textiles industry. The Institute has pioneered the evolution of fashion business education across the country through its network of seven centres at New Delhi, Bangalore, Chennai, Gandhinagar, Hyderabad, Kolkata and Mumbai. A Centre at Rae Bareli has been added from academic year 2007-08 and four Centres at Patna, Bhopal, Shillong and Kannur have been added from academic year 2008-09. NIFT’s first overseas Centre has also commenced operation in Mauritius from Academic year 2008-09. NIFT besides conducting regular professional undergraduate and postgraduate programmes in Design, Management and Technology, also offers short duration part-time courses under its Continuing Education (CE) Programme.

The National Institute of Fashion Technology Act, 2006 came into force on July 14, 2006 and comes into effect from 1st April, 2007. The Act provides statutory status to the Institute and formally recognizes its leadership in fashion technology sector, and empowers NIFT to award degrees to its students. NIFT is the first institute in the world to award degrees in fashion education.

Statutory Status

NIFT Act 2006 has accorded statutory status for the promotion and development of Education & Research in Fashion Technology with the President of India as the Visitor. The Act signifies public confidence in NIFT as a thought leader, with ‘fashion’ (defined in a much wider context) as a business strategy for value addition.
NIFT is supported by the Ministry of Textiles and governed by the Board of Governors (BOG) and its Chairperson nominated under NIFT Act, 2006. The Director General is the Chief Executive Officer of the Institute with Head Office and a network of twelve Centres.

Thought leadership in fashion technology education

NIFT has been instrumental in bringing about a paradigm shift in the perception of 'fashion' in India, with its connotation extending beyond the conventional apparel industry, to integrate with every aspect of the lifestyle industry. Fashion today encompasses popular trend or a lifestyle, specially in styles of dress and ornament or manners of behaviour or the business of creating, promoting or studying styles in vogue or the designing, production and marketing of new styles of goods such as, clothing, accessories, craft and cosmetics, thus adding tremendous value to diverse industry and businesses.

NIFT have pioneered major changes in the industry in strategy, approach, technology upgradation, design intervention and management practices, in the face of liberalization and globalization of the economy.

Curriculum restructuring with international benchmarking

The new internationally benchmarked curriculum is aimed at providing education in a 10+2+4 pattern, consonant with global professional education system. Highlights of the curriculum include a common one-year foundation programme, craft experience, industry internships and a choice of intra- and inter- departmental electives, along with options for Training Programmes with international institutions. Presently, NIFT offers the following programmes:

4 years Undergraduate Programmes

1. Bachelor of Design (B.Des) - Design
   - Fashion Design
   - Leather Design
   - Textile Design
   - Knitwear Design
   - Accessory Design
   - Fashion Communication

2. Bachelor of Fashion Technology (B.F.Tech.) - Technology
   - Apparel Production

2 years Postgraduate Programmes

- Master of Design (M.Des) - Design
- Master of Fashion Technology (M.F.Tech.) - Technology
- Master of Fashion Management (M.FM) - Management

Industry Linkages

Industry Linkages of NIFT are symbiotic, with industry experts contributing to the curriculum development and delivery, internships, projects, placements and training. A series of pre placement Industry Conventions organized in NIFT Centres and a few major cities in its attempt to reach out to the industry to present the holistic capabilities of our graduating students and forge meaningful partnerships.

NIFT conducts Continuing Education Programmes to improve the professional competence and awareness of the industry professionals. So far, over 12,500 industry professionals have benefited from these programs.

International Linkages

NIFT has signed MOUs with more than 24 leading Fashion Schools of the world.
for training, student exchange and faculty secondments.

Students participate in international competitions, exposing them to the professional world and orienting them to the global industry adding to the country's talent pool in design, management and technology.

The International Fashion Technology Forum (IFTF) was to a great extent successful in synergizing the design, management and technology issues associated with fashion industry by providing a common forum to the stakeholders for harnessing the comparative advantage and ways of adding value in supply chain network.

**Cluster Development Initiatives**

NIFT has made concerted efforts to mainstream the craft tradition of the country as an integral component of the curriculum of all programmes. It focuses on training, design intervention, technology up-gradation, establishing market linkages and promotion. To facilitate this Initiative, Rural Development Enterprise Centres at the cluster hubs and Shares Resource Technology and Support Centres at the sub-cluster level, have been established across the country. In all 10,000 artisans living below the poverty line in the States of Karnataka, Madhya Pradesh, Gujarat, Kerala and West Bengal will be benefited by this initiative.

Inauguration of NIFT Emporium in Rajiv Gandhi Bhavan in New Delhi by the Hon. Minister of Rural Development and the HMOT is a part of our Cluster Development initiative is a logical step towards establishing market linkages for the artisans of the clusters to provide them a platform to showcase their products for attracting buyers in the domestic and global markets.

NIFT has translated its vision of 'concern for social and human values' into a workable proposition by imparting knowledge to many NGOs to strengthen their capabilities through classroom and other projects. Integration of craft cluster project into academic curriculum provides entrepreneurial experience, holistic learning, and real life care studies to students and faculty.

**Technical Support**

Over the years, NIFT has provided technical support and guidance to institution catering to the industry at the managerial, supervisory, and shop floor levels as well as to institutions in the sub-continent. Over 75 Fashion Institutes, Schools, Education Boards and organizations have benefited from NIFT's expertise in developing fashion education programmes, training for trainers, infrastructure development, and systems management.

**Governance**

NIFT has commissioned Information & Communication Technology (ICT) enabled Enterprise Resource Planning (ERP) across NIFT Centres for online monitoring and evaluation of performance through Balanced Score Card linking it to the scheme of rewards and incentives.

To leverage on NIFT's unique feature of being multifarious, multi dimensional and multi dimensional, a system of Wide Area Network (WAN) is being introduced which will help in sharing of resources and competency available across NIFT Centres in most effective manner.

**New Programmes**

Launching of 2 years Master Programme in Design in Fashion Space from academic session 2006-07 which has been mainstreamed from 2007-08.
Launching of 18 month Post Graduate Programme in Enterprise Management for Fashion Professionals from 2006-07, conceived in response to industry needs for mid career as well as family owned businesses.

**Research**

Strengthening of our Research capabilities by setting up Research and Technology (R&T) Labs in twelve NIFT Centres to take up serious application oriented research in synergy with the industry.

**New Initiatives**

As a part of our Research Initiative, NIFT has conceived two major research projects at "All India Level" namely, (i) Size India and 2) Design Intelligence for Fashion Industry, two areas of critical contemporary relevance to the Fashion Industry, with Academic and Industry Collaborators. The findings of the research are expected to have far reaching impact on the fashion sensibilities of Indian population not without influencing the international fashion.

**SARDAR VALLABHBHAI PATEL INSTITUTE OF TEXTILE MANAGEMENT, COIMBATORE**

Sardar Vallabhbhai Patel Institute of Textile Management was set up on December 24, 2002 as a national level Institute for Textile Management at Coimbatore, Tamil Nadu to prepare the Indian Textile Industry to face the challenges of the Post-MFA era and enable it to establish itself as a leader in the global textiles trade.

**Management Development Programmes**

The Institute had conducted the following short-term programmes during the year 2008-09:

a) National Seminar on "Business Process Re-engineering in Textile Industry" conducted on 19.5.2008 in association with NCUTE.


d) Training programme for Silk Weavers of Tiruvannamalai Cluster conducted on 17.03.2009 to 19.03.2009.

e) Training programme for NTC Show Room Staff conducted on 27.03.2009 and 28.03.2009.

**AICTE Approval**

The Institute has got the approval from the All India Council of Technical Education (AICTE) to recognize its two years Post Graduate Diploma in Management (Textiles/Apparel).

**Bharathiar University M.Phil/Ph.D Approval**

The institute has obtained the approval from Bharathiar University, Coimbatore for the recognition as a Research Centre for conducting the M.Phil / Ph.D programmes in the area of Textile Management.

**MoU with National Textile Corporation**

Entered into a MoU with National Textile Corporation for conducting training programmes/short-term courses for its employees.

**APPAREL PARK FOR EXPORTS SCHEME (APES)**

With the objective of imparting a focused thrust to set up apparel units of
international standards and to give a fillip to exports, the Government had launched the Apparel Park for Exports Scheme (APES), a centrally sponsored scheme. Twelve Project Proposals have been sanctioned for setting up Apparel Parks at Tronica City & Kanpur (U.P.), Surat (Gujarat), Thiruvananthapuram (Kerala), Visakhapatnam (Andhra Pradesh), Ludhiana (Punjab), Bangalore (Karnataka), Tirupur & Kanchipuram (Tamil Nadu), SEZ, Indore (Madhya Pradesh), Mahal (Jaipur, Rajasthan) and Butibori-Nagpur (Maharashtra). Developments of basic infrastructure facilities have been completed in eight projects, where textiles units have started commercial production. Assistance of Rs.12439 Crore has been provided under the scheme for these projects.

TEXTILES CENTRE INFRASTRUCTURE DEVELOPMENT SCHEME (TCIDS)

Development of infrastructure facilities at pre-dominantly textile/apparel sector areas is one of the thrust areas of NTxP-2000. For attaining this objective, the Textiles Centre Infrastructure Development Scheme (TCIDS) was launched for upgrading infrastructure facilities at important textile centers. Eighteen projects have been approved under the TCIDS at Pashmylarlam-Distt. Medak, and Sircilla-Distt. Karimnagar (Andhra Pradesh), Panipat (Sector 29, Phase-II, Haryana), Indore (Madhya Pradesh), Jassol, Balotra-Bithuja belt Barmer Distt. And Paali (Rajasthan), Narol-Shahwadi-Ahmedabad City, SEWA Trade Facilitation Centre, Ahemdabad and Pandesara-Surat (Gujarat), Tirupur, Kancheepuram and Cauvery Hi-tech Weaving Park, Komarapalayam (Tamil Nadu), Solapur, Bhiwandi and Malegaon (Maharashtra), Kannur (Kerala), Zakura (Jammu & Kashmir) and Pilkhuva (Uttar Pradesh). Work has been completed in 3 projects; works in 14 projects are expected to be completed in 209. Implementation of remaining 1 project may go beyond 2009. Assistance of Rs.185.60 Crore has been provided under the scheme for these projects.

SCHEME FOR INTEGRATED TEXTILE PARKS (SITP)

The ‘Scheme for Integrated Textile Parks (SITP)’ is being implemented to facilitate setting up of textile units with appropriate support infrastructure. Industry Associations / Group of Entrepreneurs are the main promoters of the Integrated Textiles Park (ITP).

Scope of the Scheme

The scheme targets industrial clusters/locations with high growth potential, which require strategic interventions by way of providing world-class infrastructure support. The project cost covers common infrastructure and buildings for production/support activities, depending on the needs of the ITP. The components of an ITP are:

(a) Group A - Land.

(b) Group B - Common Infrastructure like compound wall, roads, drainage, water supply, electricity supply including captive power plant, effluent treatment, telecommunication lines etc.

(c) Group C - Buildings for common facilities like testing laboratory, design center, training center, trade center/display center, ware housing facility/raw material depot, crèche, canteen, workers hostel, offices of service providers, labour rest and recreation facilities etc.

(d) Group D - Factory buildings for production purposes.

(e) Group E - Plant & machinery.

The total Project Cost for the purpose of
this Scheme includes the cost on account of components of ITP, as listed under Groups A, B, C and D above, provided the ownership of the factory buildings vests with the SPV. The SPV has, however, have the option of seeking financial support from Government of India for components under Groups B and C only, if factory buildings are individually owned.

**Funding Pattern**

The total project cost, as indicated above, is funded through a mix of Equity/Grant - from the Ministry of Textiles, State Government, State Industrial Development Corporation, Industry & Project Management Consultant and Loan - from Banks / Financial Institutions. The Government of India's (GOI) support under the Scheme by way of Grant or Equity is limited to 40% of the project cost subject to a ceiling of Rs. 40 crore. However, GOI support will be provided @90% of the project cost subject to a ceiling of Rs. 40 crore for first two projects in the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Sikkim and Jammu & Kashmir.

**Progress of implementation**

Forty (40) textiles park projects have been approved by the Ministry of Textiles. State-wise sanction of project is - Andhra Pradesh (6), Assam (1), Gujarat (7), Karnataka (1), Madhya Pradesh (1), Maharashtra (9), Punjab (3) Rajasthan (5), Tamil Nadu (6), and West Bengal (1). These Parks would have facilities for spinning, sizing, texturising, weaving, processing, apparels etc. The estimated project cost (for common infrastructure and common facilities) is Rs. 4199.35 Crore, of which Government of India assistance under the scheme would be Rs. 1438.03 Crore. 2171 entrepreneurs will put up their units in these parks covering an area of 4611 Acre. The projected investment in these parks is Rs. 21,700 Crore and estimated annual production is Rs 38,717 Crore. After these parks are fully operational there would be employment available for 9.19 lakh persons (3.68 lakh direct & 5.51 indirect). So far assistance of Rs. 577.68 Crore has been provided for execution of these projects. The promoters of these textiles park projects have brought in Rs.1000 Crore (approx.) as their contribution. The Palladam HiTech Waving Park, Tamil Nadu, was the first park to be inaugurated in April 2008. The second park, namely, Pochampally Handloom Park, Andhra Pradesh was inaugurated on November 16, 2008. Komarapalayam HiTechweaving Park, Komarapalayam, Tamil Nadu was inaugurated on 21.02.2009. In Dodballapur Integrated Textile Park, Banaglore, Karnataka, Rapier Weavers' training facility was inaugurated on February 28, 2009. Brandix India Apparel City, Vishakhapatnam, Andhra Pradesh is also complete. Three more projects namely Gujarat Eco Textile Park, Surat, Gujarat, Dodballapur Integrated Textile Park, Banaglore, Karnataka and Pride India Cooperative Textile Park, Ichalkaranji, Maharashtra are also nearing completion. Most of the remaining projects are likely to be completed in 2009 / 10.

**TECHNICAL TEXTILES**

During the "TexSummit 2007, the Prime Minister announced the "Technology Mission on Technical Textiles" during the XI Five Year Plan. To start with, the Government has approved the Scheme for growth and Development of Technical Textiles during XI Five Year Plan which comprises of three components (i) Baseline Survey to build the database of technical textile industry (ii) Creation of awareness among the entrepreneurs (iii) Setting up of four centers of excellence.

(i) **Baseline Survey:** To strengthen the database of technical textiles industry,
the ICRA Management Consultancy Services (IMCS) was appointed to conduct the baseline survey. The agency has submitted the report and the approval of the report is under process.

(ii) Creation of awareness: In order to create awareness on the potential of the technical textiles, Office of the Textile Commissioner has organized various awareness/training programmes in different parts of the country. Fifteen such awareness/training programmes had been organized during 2008-09.

(iii) Setting up of four centers of excellence: Four Centres of Excellence (COEs) have been identified for 4 thrust segments of the technical textiles to provide infrastructure support at one place for the convenience of the manufacture of technical textiles. The COEs identified are BTRA for Geotech, SITRA for Meditech, NITRA for Protech and SASMIRA for Agrotech. The COEs have to create the facilities for testing and evaluation with national and international accreditation, development of resource center and facilities for training. The Govt. has released funds to the 4 COEs in Phase - 1 and the COEs have started installing the facilities. The progress of COEs is being closely monitored.
CHAPTER V

THE COTTON AND MAN-MADE FIBRE AND FILAMENT YARN INDUSTRY
RAW COTTON

Cotton is one of the principal crops of the country, plays a vital role in the Indian economy providing substantial employment and making significant contributions to export earnings. It engages around 6 millions farmers, while another about 40-50 million people depend on activities relating to cotton cultivation, cotton trade and its processing for their livelihood. It is the principal raw material for the domestic textile industry comprising 1608 spinning mills and 200 composite mills, with an installed capacity of 35.61 million spindles, 4,48,000 Open End Rotors and 69,000 looms in the organized sector plus another 1219 small scale spinning units with 4.00 million spindles and about 1,57,226 Rotors in the small scale decentralized sector. Cotton has turned out to be an incredibly good performer in the country’s agricultural sector. India ranks first in cotton-cultivated area and second in production among all cotton producing countries in the world, next to China and the USA.

AREA, PRODUCTION AND PRODUCTIVITY OF COTTON

India has brought about a qualitative and quantitative transformation in the production of cotton since her independence. During the year 2008-09, the cotton production in the country was estimated to be 290 lakh bales as against the production of 315 lakh bales during the previous year. India has the distinction of having the largest area under cotton cultivation at around 9 million hectares and constitutes around 25% of the total world. However, in productivity (591 kg.lint/ha), India is far behind many countries (USA: 912 kg/ha, China: 1251 kg/ha and World Average: 766 kg/ha). One of the major reasons for low yield is that 65 % area under cotton is rain fed. The country’s cotton output for the cotton season 2008-09 has been estimated at a record 390 bales (of 170 kgs each). First time in 2006-07 cotton season, cotton yield of about 520 kg/hectare which reached at 560 in 2007-08 and 526 in 2008-09. With the further possibility of higher use of Bt seeds/Hybrid seeds and a decline in the cost of such seeds, it is projected that by the terminal year of XI Five year plan (2007-2012), the yield per hectare will increase to 700 kgs and cotton production will reach the level of 390 lakh bales. The position in respect of Area, Production and Productivity of Cotton in the country may please be seen at table 5.1

DEMAND AND SUPPLY SITUATION

Cotton consumption in the country was estimated to be around 230 lakh bales. The variety-wise demand for cotton almost follows the same pattern as the variety-wise production. The major demand is for medium and medium long staple variety, which also has the largest share in the total production of cotton. The demand for short staple varieties is relatively very small. Country’s Cotton Balance sheet is given at table 5.2.

EXPORT AND IMPORT

At present both cotton exports and imports are under Open General License (OGL)
### Table 5.1
Area, Production and Productivity of Cotton
(Area in lakh hectares/Production in lakh bales of 170 kgs/Yield kgs per hectare) updated

<table>
<thead>
<tr>
<th>Year</th>
<th>2003-04</th>
<th>2004-05</th>
<th>2005-06</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Area</td>
<td>Prod</td>
<td>Yield</td>
</tr>
<tr>
<td>Punjab</td>
<td>4.52</td>
<td>10.35</td>
<td>389</td>
</tr>
<tr>
<td>Haryana</td>
<td>5.26</td>
<td>11.50</td>
<td>372</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>3.44</td>
<td>9.15</td>
<td>452</td>
</tr>
<tr>
<td>North total</td>
<td>13.22</td>
<td>31.00</td>
<td>399</td>
</tr>
<tr>
<td>Gujarat</td>
<td>16.47</td>
<td>50.00</td>
<td>516</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>27.66</td>
<td>31.00</td>
<td>191</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>5.91</td>
<td>19.65</td>
<td>565</td>
</tr>
<tr>
<td>Central total</td>
<td>50.04</td>
<td>100.65</td>
<td>342</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>8.37</td>
<td>27.40</td>
<td>557</td>
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<tr>
<td>Karnataka</td>
<td>3.13</td>
<td>4.20</td>
<td>228</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>1.03</td>
<td>3.75</td>
<td>619</td>
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<tr>
<td>South Total</td>
<td>12.53</td>
<td>35.35</td>
<td>480</td>
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<tr>
<td>Others</td>
<td>0.51</td>
<td>1.00</td>
<td>333</td>
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<tr>
<td>TOTAL</td>
<td>168.00</td>
<td>231.00</td>
<td>229.00</td>
</tr>
<tr>
<td>Loose lint</td>
<td>11.00</td>
<td>12.00</td>
<td>12.00</td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td>76.30</td>
<td>179.00</td>
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<table>
<thead>
<tr>
<th>Year</th>
<th>2006-07</th>
<th>2007-08</th>
<th>2008-09*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Area</td>
<td>Prod</td>
<td>Yield</td>
</tr>
<tr>
<td>Punjab</td>
<td>6.07</td>
<td>24.00</td>
<td>672</td>
</tr>
<tr>
<td>Haryana</td>
<td>5.30</td>
<td>15.00</td>
<td>481</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>3.50</td>
<td>9.00</td>
<td>437</td>
</tr>
<tr>
<td>North total</td>
<td>14.87</td>
<td>48.00</td>
<td>549</td>
</tr>
<tr>
<td>Gujarat</td>
<td>23.90</td>
<td>103.00</td>
<td>733</td>
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<tr>
<td>Maharashtra</td>
<td>31.07</td>
<td>50.00</td>
<td>274</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>6.39</td>
<td>19.00</td>
<td>505</td>
</tr>
<tr>
<td>Central total</td>
<td>61.36</td>
<td>172.00</td>
<td>477</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>9.72</td>
<td>36.00</td>
<td>630</td>
</tr>
<tr>
<td>Karnataka</td>
<td>3.78</td>
<td>6.00</td>
<td>270</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>1.00</td>
<td>5.00</td>
<td>850</td>
</tr>
<tr>
<td>South Total</td>
<td>14.50</td>
<td>47.00</td>
<td>551</td>
</tr>
<tr>
<td>Orissa</td>
<td>0.71</td>
<td>1.00</td>
<td>239</td>
</tr>
<tr>
<td>Others</td>
<td>0.71</td>
<td>1.00</td>
<td>239</td>
</tr>
<tr>
<td>TOTAL</td>
<td>268.00</td>
<td>303.00</td>
<td>278.00</td>
</tr>
<tr>
<td>Loose lint</td>
<td>12.00</td>
<td>12.00</td>
<td>12.00</td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td>91.44</td>
<td>280.00</td>
<td>521</td>
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*As per CAB meeting held on 13-2-2009
since 19th April 1994. With a view to boost cotton exports from the country duty draw back incentive of 1% was in vogue. However, from 8th July 2008 the Government of India has withdrawn the duty draw back incentive on cotton exports. Similarly till 8th July, 2008 an import of 10% was in vogue. However, from 8th July, 2008 the Government of India has removed import duty of 10% along with special countervailing duty on imports of cotton. And has also withdrawn the 1% duty draw back on the export of cotton. This has helped curb the rising price trend in the domestic market.

Since the last four years, the cotton production in the country has been continuously rising and even after meeting the requirements of domestic mills there has been exportable surplus. Due to availability of exportable surplus as also due to the improvement in quality of Indian cotton at par with international level in terms of trash contents and contamination, the demand for India cotton over the as years has been increasing, especially from neighboring countries like China, Pakistan, Bangla Desh and other far-eastern countries. As a result over the years the country has emerged as the second largest exporter of cotton after USA thus relegating the Uzbekistan to the third position.

Further with the improvement in quality of Indian cotton at par with international level, the domestic mills are also meeting their requirements from domestic market except ELS cotton fro which there is shortage in the country of about 5 to 6 lakh bales. As a result the cotton imports into the country have reduced considerably. The details of

<table>
<thead>
<tr>
<th>Table 5.2</th>
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<tbody>
<tr>
<td>Cotton Balance Sheet from 2001-02 to 2008-09 (Oct.- Sept.)</td>
</tr>
<tr>
<td>(Lakh bales of 170 kg. each)</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>SUPPLY</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening stock</td>
<td>29.00</td>
<td>40.00</td>
<td>24.00</td>
<td>21.00</td>
<td>72.00</td>
<td>52.00</td>
<td>47.50</td>
<td>43.00</td>
</tr>
<tr>
<td>Crop</td>
<td>158.00</td>
<td>136.00</td>
<td>79.00</td>
<td>243.00</td>
<td>241.00</td>
<td>280.00</td>
<td>315.00</td>
<td>290.00</td>
</tr>
<tr>
<td>Import</td>
<td>25.26</td>
<td>17.67</td>
<td>7.21</td>
<td>12.17</td>
<td>5.00</td>
<td>5.53</td>
<td>6.50</td>
<td>7.00</td>
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<tr>
<td>TOTAL SUPPLY</td>
<td>212.26</td>
<td>193.67</td>
<td>210.21</td>
<td>276.17</td>
<td>318.00</td>
<td>337.53</td>
<td>369.00</td>
<td>340.00</td>
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<tr>
<td>DEMAND</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>Mill Consumption</td>
<td>147.00</td>
<td>142.42</td>
<td>150.39</td>
<td>163.98</td>
<td>180.00</td>
<td>194.89</td>
<td>203.00</td>
<td>195.00</td>
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<tr>
<td>Non-Mill Consumption</td>
<td>13.06</td>
<td>14.78</td>
<td>13.71</td>
<td>14.48</td>
<td>20.00</td>
<td>15.88</td>
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<td>Consumption by SSI Units</td>
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<td>13.00</td>
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<td>21.26</td>
<td>23.00</td>
<td>20.00</td>
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<tr>
<td>Export</td>
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<td>12.11</td>
<td>9.14</td>
<td>47.00</td>
<td>58.00</td>
<td>85.00</td>
<td>50.00</td>
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<tr>
<td>TOTAL DEMAND</td>
<td>172.26</td>
<td>169.67</td>
<td>189.21</td>
<td>204.17</td>
<td>266.00</td>
<td>290.03</td>
<td>326.00</td>
<td>280.00</td>
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<tr>
<td>Closing Stock</td>
<td>40.00</td>
<td>24.00</td>
<td>21.00</td>
<td>72.00</td>
<td>52.00</td>
<td>47.50</td>
<td>43.00</td>
<td>60.00</td>
</tr>
</tbody>
</table>
cotton exports from the country as well as cotton imports into the country is given at table 5.3.

<table>
<thead>
<tr>
<th></th>
<th>Exports</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>0.84</td>
<td>17.67</td>
</tr>
<tr>
<td>2003-04</td>
<td>12.11</td>
<td>7.21</td>
</tr>
<tr>
<td>2004-05</td>
<td>9.14</td>
<td>12.17</td>
</tr>
<tr>
<td>2005-06</td>
<td>47.00</td>
<td>5.00</td>
</tr>
<tr>
<td>2006-07</td>
<td>58.00</td>
<td>5.53</td>
</tr>
<tr>
<td>2007-08*</td>
<td>85.00</td>
<td>6.50</td>
</tr>
</tbody>
</table>

This Ministry has received representations from various mills regarding the difficulties being faced by them on the export of waste cotton from the country. The Ministry has recommended restriction of export of waste cotton for the present.

**MINIMUM SUPPORT PRICE**

The Cotton Corporation of India Ltd., undertakes MSP operations on behalf of the Government of India by in ensuring remunerative prices to the cotton growers of the country in the wake of prevailing kapas prices touching the MSP level.

The Government of India has fixed the support price of two basic varieties of cotton viz., Medium Staple Length Cotton having Staple Length of 24.5 to 25.5 mm with micronaire value of 4.3 to 5.1 and Long Staple Length Cotton having Staple Length of 29.5 to 30.5 mm with micronaire value of 3.5 to 4.3 of new crop of Seed Cotton (Kapas) of Fair Average Quality (FAQ) for Cotton Season 2008-09 (October-September). The support price for Medium Staple Length Cotton has been fixed at Rs.2500/- per quintal and that for Long Staple Length Cotton of above classes has been fixed at Rs.3000/- per quintal. Based on the support prices for these two basic classes of Seed Cotton and taking into account the quality differential, normal price differential and other relevant factors, the support prices for other classes of Seed Cotton (Kapas) of Fair Average Quality (FAQ) are fixed by the Textile Commissioner.

**COTTON ADVISORY BOARD**

The Cotton Advisory Board (CAB) is a representative body of Government agencies, growers, industry & trade. It advises the Government generally on matters pertaining to production, consumption and marketing of cotton, and also provides a forum for liaison among the cotton textile mill industry, the cotton growers, the cotton trade and the government. The tenure of the CAB is two years. The Board, reconstituted on June 25, 2008 and has got 57 members from the field of Central Government, State Government, cotton growers, Textile Industry, Cotton Trade, Ginning and Pressing Sector, Cotton Research & Development Institutions, Powerloom Sector and Handloom Sector and Member Secretary. The reconstituted Board is valid upto June 24, 2010.

**ORGANIC COTTON ADVISORY BOARD**

A New Advisory Committee has been constituted of Organic Cotton Advisory Board (OCAB) on 14.10 2008 for 2 years. The OCAB shall be headed by the Textile Commissioner, which is a representative body of the Central and State Government agencies,Certifying agencies, Agriculture Universities / Research Institutes, Ginning & Pressing Sector, Textile industry and Non official Members. The role and functions of the Organic Cotton Advisory Board shall be as under:

i) To assess the demand and supply situation

ii) To recommend subsidy for production
practices to be followed for cultivation of organic cotton under Mini-Mission II of the TMC / ICDP

iii) To evolve the guidelines for the basis of certification, delineation/identification of production areas and varieties suitable for organic farming

iv) Constant analysis - comparative studies of organic and inorganic farming on long-term basis.

v) Co-ordination with APEDA and National Organic Farming Institute (NOFI), Faridabad along with its Regional Station at Jabalpur and Nagpur.

INTERNATIONAL COTTON ADVISORY COMMITTEE (ICAC)

The International Cotton Advisory Committee is an association of governments having an interest in the production, export, import and consumption of cotton. It is an organization designed to promote cooperation in the solution of cotton problems, particularly those of international scope and significance. The functions of the International Cotton Advisory Committee, as defined in the Rules and Regulations, are:

- To observe and keep in close touch with developments affecting the world cotton situation.
- To collect and disseminate complete, authentic, and timely statistics on world cotton production, trade, consumption, stocks and prices.
- To suggest, as and when advisable, to the governments represented, any measure the Advisory Committee considers suitable and practicable for the furtherance of international collaboration directed towards developing and maintaining a sound world cotton economy.

- To be the forum of international discussions on matters related to cotton prices.

The 67th meeting of the ICAC, Washington was held from November 17 - 21, 2008 in Ouagadougou, Burkina Faso. The theme of the 67th Plenary Meeting was Technologies for Cotton Development.

TECHNOLOGY MISSION ON COTTON

The Technology Mission on Cotton (TMC) was launched by the Government of India on 21st February 2000 with the aim of addressing issues relating to the increase in productivity, improvement of quality and reduction in the cost of production and thus providing the much-needed competitive advantage to the textile industry along with ensuring attractive returns to the farmers.

The Scheme completed its tenure till 10th Five Year Plan i.e., up to 31st March 2007. However, the Scheme MM III and IV of TMC has been further extended in the 11th Five Year Plan for two years i.e. upto 31.3.2009 in terms of target and completion of the ongoing projects. The matter is now being taken for consideration of Empowered Committee.

The Missions comprises of four Mini Missions, which are jointly being implemented by the Ministries of Agriculture and Textiles. Research and Development on Cotton and Dissemination of technology to farmers are being undertaken by the Ministry of Agriculture through Mini Missions I and II respectively. Ministry of Textiles is the Nodal Agency for Mini Missions III & IV of TMC. Mini Mission III relates to improvement in marketing infrastructure and includes the revival of dormant market yards, improvement in existing market yards and setting up of new market yards.
Progress of TMC (MM-III & IV) September, 08

Under MM-III, development of 250 market yards has been sanctioned and 161 have been completed. The total cost of the sanctioned project is Rs. 491.30 crores out of which the TMC share is Rs. 253.98 crore.

Under MM-IV, Modernization of 993 Ginning and Pressing Factories have been sanctioned and 829 have been completed. The Total cost of the sanctioned Projects is Rs. 1448.64 crores out of which the TMC Share of Rs. 227.07 crore.

Fund allocated to TMC (MM-III & IV) during the year 2008-09 was Rs. 50 crore 

COTTON CORPORATION OF INDIA LTD. (CCI)

The role assigned to the CCI under the Textile Policy of June 1985 was:

1. To undertake price support operations whenever the market prices of kapas touch the support prices announced by the government of India without any quantitative limit

2. To undertake commercial operations only at CCI ’s own risk; and

3. To purchase cotton to fulfill export quotas given to CCI

The above role of the CCI continued under the New Textile Policy of 2000. However, the last stated function no longer is relevant as export of cotton is now free and the Government is releasing no quotas. Nevertheless CCI purchases cotton even now to undertake export of cotton.

Besides the above role CCI has also been designated as the nodal agency for implementation of Mini Missions III and IV of the Technology Mission on Cotton for improvement and Development of Market Yards and Modernization of Ginning and Pressing factories and thereby improving the quality of cotton by reducing contamination of cotton and ensuring better prices to the growers.

In addition to the above the Ministry of Agriculture has also nominated the CCI as the implementing agency for undertaking Front Line Demonstrations under Mini Mission II of the TMC.

Under its developmental activities the CCI has been implementing the Contract Farming Project in all the cotton growing States.

PERFORMANCE OF THE COTTON CORPORATION OF INDIA

MSP operations

The Corporation continues to play an important role in ensuring remunerative prices to the cotton growers of the country in the wake of prevailing kapas prices touching the MSP level. However, as brought out earlier, during the year under review, the intensity of MSP operations was less and restricted for short period of 2 ½ months in the States of Andhra Pradesh and Orissa. The CCI had taken up MSP operations in these States and could purchase 11.88 lakh quintals of kapas equivalent to 2.25 lakh bales under MSP operations during the season.

Commercial operations

As per the role assigned, in the absence of MSP operations, the Corporation had been undertaking commercial operations to ensure competitive prices to the cotton farmers as also cater the needs of its regular clients. The salient features of the year under review had been that the prevailing kapas prices, throughout the season in most of the cotton growing States,
had ruled above the MSP level. Hence, with a view to ensure competitive prices to the cotton farmers, the Corporation had undertaken commercial operations and purchased 37.14 lakh quintals of kapas equivalent to 7.65 lakh bales, constituting about 78% of the total purchases of 9.90 lakh bales during the season.

**Domestic sales**

The domestic sales undertaken by CCI during the financial year has been 12.70 lakh bales as against 12.46 lakh bales during the previous financial year.

**Export Sales**

Export sales for the financial year under review has been 1,38 lakh bales as against 3.06 lakh bales for the year 2006-07.

**Developmental activities**

With a view to promote and popularize the concept of Integrated Cotton Cultivation i.e. contract farming among the farming community, as well as providing benefits to cotton farmers and buyer mills/ultimate consumers, CCI has continued to promote Integrated Cotton Cultivation as a facilitator during the year 2007-08. CCI has also been identified as a nodal agency of the Ministry of Agriculture for implementation of the component of Front Line Demonstration (FLD) along with other Implementing agencies. The Corporation's involvement with FLD programme Mini Mission II of the TMC is continuing during 2008-09.

CCI also continues to be the Implementing agency for the Mini Mission III and IV of the Technology Mission on Cotton. (TMC)

During the year under review, under Mini Mission III, 28 market yards were taken up for development and the total project cost was Rs. 60.93 crores with TMC share of Rs. 33.37 crores. Similarly during the financial year under Mini Mission IV, 180 Ginning & Processing factories were taken up for modernization and the total project cost was Rs. 318.72 with TMC share of Rs. 42.32 crores. The target for the expenditure for the financial year 2007-08 had been achieved.

**MAN-MADE STAPLE FIBRE AND FILAMENT YARN INDUSTRY**

The production of man-made staple fibre industry achieved a growth rate of 8.9% during 2007-08 showing an increase trend as compared to the corresponding period of 2006-07. But, the man-made staple fibre industry attenuated 14.2% decline during 2008-09 (P). The production of viscose staple fibre and acrylic staple fibre is expected to decrease by 5% and 45%, respectively during 2008-09. The production of polyester staple fibre is also expected to decrease 11% during 2008-09.

The total production of man-made filament yarn is expected to decrease by about 2.27% during 2008-09 (P). The production of nylon filament yarn and polyester filament yarn is also expected to decrease 30% and 2.5%, respectively during 2008-09. But, the production of viscose filament yarn is expected to increase by about 22% during 2008-09 (P).

The installed capacity and details of production of man-made staple fibre and filament yarn are given at table 5.4.
Table 5.4

Installed Capacity and Production of Man-Made Staple Fibre/Filament Yarn

<table>
<thead>
<tr>
<th>Type</th>
<th>No. of units</th>
<th>Installed capacity (tpa) (as on 31.03.07)</th>
<th>2005-06</th>
<th>Production (Mn. Kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>2006-07(E)</td>
<td>2007-08(P)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2008-09 (April-Jan.)</td>
<td></td>
</tr>
<tr>
<td><strong>Staple Fibre</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Viscose</td>
<td>3</td>
<td>328.8</td>
<td>229</td>
<td>230</td>
</tr>
<tr>
<td>Polyester</td>
<td>17</td>
<td>1294.6</td>
<td>628</td>
<td>754</td>
</tr>
<tr>
<td>PP</td>
<td>4</td>
<td>9.7</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Acrylic</td>
<td>7</td>
<td>162.9</td>
<td>108</td>
<td>131</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>31</strong></td>
<td><strong>1796</strong></td>
<td><strong>968</strong></td>
<td><strong>1117</strong></td>
</tr>
<tr>
<td><strong>Filament</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nylon</td>
<td>7</td>
<td>654.4</td>
<td>37</td>
<td>38</td>
</tr>
<tr>
<td>Polyester</td>
<td>43</td>
<td>2164.14</td>
<td>1076</td>
<td>1225</td>
</tr>
<tr>
<td>PP</td>
<td>17</td>
<td>116.2</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>Viscose</td>
<td>7</td>
<td>80.1</td>
<td>53</td>
<td>53</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>74</strong></td>
<td><strong>3014.84</strong></td>
<td><strong>1178</strong></td>
<td><strong>1331</strong></td>
</tr>
</tbody>
</table>

*E = Estimated

P = Provisional

Source: ASFI.*
CHAPTER VI

THE JUTE AND JUTE TEXTILES INDUSTRY
CHAPTER VI

THE JUTE AND JUTE TEXTILES INDUSTRY

The Jute Textiles Industry occupies an important place in the national economy. It is one of the major industries in the eastern region, particularly in West Bengal. It supports nearly 4 million farm families, besides providing direct employment to about 2.6 lakh industrial workers and livelihood to another 1.4 lakh persons in the tertiary sector and allied activities. The production process in the Jute Industry goes through a variety of activities, which include cultivation of raw jute, processing of jute fibres, spinning, weaving, bleaching, dyeing, finishing and marketing of both, the raw jute and its finished products. The Jute Industry is labour intensive and as such its labour-output ratio is also high in spite of various difficulties being faced by the industry. Capacity utilization of the industry is around 75 per cent. These apart, the jute industry contributes to the export earnings to the tune of nearly Rs. 1,200 crore annually. The estimated raw jute productions during the jute year 2008-09 (July-June) is estimated at 82 lakh bales (1 bale = 180 kg.).

There are 77 composite jute mills in India, of which 60 jute mills are located in West Bengal, 3 each in Bihar and U.P., 7 in Andhra Pradesh and 1 each in Assam, Orissa, Tripura and Chattisgarh. Ownership-wise division is: 6 mills are under Government of India, 1 mill (Tripura) is under State Government, 2 mills (Assam & New Central) are in the co-operative sector, and 68 are in private sector.

In exercise of the powers conferred by sub-section (1) of Section 3 of the Jute Packaging Materials (Compulsory Use in Packing Commodities) Act, 1987, Ministry of Textiles issued Notification dated 1st September, 2009, stipulating that 100% foodgrains and sugar to be compulsorily packed in jute packaging material. The Notification came into effect from the date of its publication and remained valid upto June 30, 2009.

EXPORT AND IMPORT OF JUTE GOODS

The exports of jute goods, including flour coverings, diversified jute products, jute yarns Hessian was US$ 234 million (Rs. 1,066 crore) during financial year 2008-09. The jute exports have shown a decline of 10% in rupee terms on year to year basis. The export during financial year 2007-08 was US$ 326.09 million (Rs. 1,313 crore). During 2007-08, the volume of import of jute goods stood at 57.69 thousand M.T. valued at Rs.138.09 crore against 60.93 thousand MT valued at Rs.171.63 crore in 2006-07. The import of Jute goods during 2008-09 has increased by 23% to 70.94 thousand M.T. as against 57.69 thousand M.T. in the corresponding period of last year.

The trend in import of jute goods and raw jute is at table 6.1.
Table 6.1

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw Jute</td>
<td>85.98</td>
<td>136.22</td>
<td>94.36</td>
<td>171.80</td>
<td>59.04</td>
</tr>
<tr>
<td>Jute Products</td>
<td>32.17</td>
<td>77.02</td>
<td>60.93</td>
<td>57.69</td>
<td>70.94</td>
</tr>
<tr>
<td>Total</td>
<td>116.15</td>
<td>213.24</td>
<td>155.29</td>
<td>229.49</td>
<td>129.98</td>
</tr>
<tr>
<td>%age over last year</td>
<td>0.4%</td>
<td>80%</td>
<td>-27%</td>
<td>48%</td>
<td>-43%</td>
</tr>
</tbody>
</table>

DEVELOPMENT AND REGULATORY ORGANISATIONS IN JUTE SECTOR

(a) Organisations under Ministry of Textiles

Jute Manufactures Development Council (JMDC)

The Jute Manufactures Development Council (JMDC) is a Statutory Body constituted under the JMDC Act, 1983, under the Chairmanship of Secretary (Textiles) on May 1, 1984, with the objective to increase efficiency and productivity in the jute industry, and to finance the activities for such development and for matters connected therewith. JMDC has been delegated all functions related to Export Promotion in the jute sector and mandated to perform other such activities in the domestic market as are performed by a Commodity Board. The activities of the Council are funded through grants from the proceeds of Cess on the production of jute levied under the Jute Manufactures Cess Act, 1983 by the Government.

The Govt. of India, through a Gazette Notification dated June 14, 2007, reconstituted the Jute Manufactures Development Council for a period of two years w.e.f. May 21, 2007.

JMDC website: www.jmdcindia.com

National Centre For Jute Diversification (NCJD)

The National Centre for Jute Diversification (NCJD) was registered in January 1992, under the Societies Registration Act, 1860 and established in June 1994, under the Chairmanship of Secretary (Textiles) to give focused attention to the diversification efforts in the jute sector. NCJD is required to consolidate R&D efforts of various Institutes in jute and textiles and transfer these to the entrepreneurs for commercial production. It co-ordinates with various agencies and helps the entrepreneurs in arranging technical, financial, and infrastructural support and encourages them to take up production and marketing of jute diversified products.

The Council of Governors of NCJD is reconstituted every two years. The last Council was reconstituted on June 11, 2007. It consists of 25 members, drawn from various sectors like Jute Entrepreneurs, Banking and the Government. NCJD is implementing schemes for development of the Jute-diversified sector and to provide backward and forward linkages to new
and budding entrepreneurs, NGOs and women's groups.

**Office of Jute Commissioner**

The office of Jute Commissioner is a subordinate office under Ministry of Textiles. It is a regulatory body to implement the Jute Packaging Materials (Compulsory Use in Packaging Commodities) Act, 1987 and provisions of Jute and Jute Textiles Control Order, 2000 (issued under Essential Commodities Act, 1955). Jute Commissioner is the legal authority prescribed in these statutes. The Jute Commissioner attends to production, distribution for domestic consumption and exports and development of jute as well as jute products.

The important functions of the Jute Commissioner office include:

- **Implementation of the Jute Packaging Materials (Compulsory Use in Packaging Commodities) Act, 1987.**
- **Issue Production Control Orders (PCO) under Jute & Jute Textiles Control Order, 2000, on jute mills for supply of B.,Twill bags to Government agencies (DGS&D) and FCI.**
- **Fixation of MSP of raw jute for different areas and grades on reports of Commission on Agricultural Costs and Prices.**
- **Fixation of monthly price of B.Twill Jute bags based on Tariff Commission's Report.**
- **Review of projects undertaken by Indian Jute Industries Research Association(IJIRA) and other R&D institutions and recommending for approval by Ministry of Textiles.**
- **Supervision and coordination of Central Schemes for modernization of jute industry, such as Jute Technology Mission, TUFS (Technology Up-gradation Fund Scheme), etc.**
- **Assists in formulation as also revision of productivity norms for jute industry to indicate norms of production, wastages, raw jute inputs, power requirement of jute products.**
- **To analyze trends in production, consumption, supplies, prices, etc of raw jute and jute goods and to transmit reports/returns to different Government bodies, RBI, Food and Agricultural Organisation (FAO), Rome, International Jute Study Group (IJSG), Dhaka.**
- **To prepare reports and notes periodically on economic aspects of the Government policies, Schemes relevant in jute sector, including fiscal incentives, monitoring performances of implementing agencies.**
- **Collection, compilation and maintenance of statistical data regarding opening stocks domestic production and consumption, exports, imports, closing stocks and prices of raw jute and jute goods and transmission of consolidated reports to Ministry of Textiles, CSO, RBI FAO, IJSG, etc.**

Jute Commissioner office website: http://jutecomm.gov.in/

**(b) Other Organisations supported by Ministry of Textiles in Jute Sector**

**International Jute Study Group (IJSG)**

The International Jute Study Group (IJSG) is an intergovernmental body set
up under the aegis of United Nations Conference on Trade and Development (UNCTAD) to function as the International Commodity Body (ICB) for Jute, Kenaf and other Allied Fibres.

The IJSG was set-up to succeed the erstwhile International Jute Organisation (IJO), which entered into the liquidation mode in 2000. It formally entered into force on 27 April 2002, with the completion of the process of Definitive Acceptance/Acceptance by Governments of Bangladesh, India, Switzerland, and the European Community, representing its 27 member countries and representing over 60% jute trade (import and export). The IJSG administers the provisions of the successor Agreement on Jute and Jute products, 2002 adopted by the United Nations.

Since its inception, two officers from Government of India have been elected as Secretary General of the Organisation. Shri T. Nandakumar, was elected as its first Secretary-General in 2002, and thereafter, the Council of the IJSG in its eighth meeting held on May 2-3, 2007, appointed Shri Sudripta Roy, as Secretary General, IJSG for a period of three years with effect from September 6, 2007.

IJSG Website: www.jute.org

Objectives of IJIRA

(i) To promote Research and other scientific work concerned with the jute trade and industries allied with or accessory thereto;

(ii) To establish and maintain laboratories and faster education of persons engaged in or likely to be engaged in the said trade and industry;

(iii) To examine and publish information regarding the nature and merits of inventions, improvements materials and designs connected with the said traders of industries.

The R&D activities and technology transfer programme of IJIRA have helped to improve the productivity, product quality and cost viability of the organized jute mills and also the SMEs in the jute sector.

IJIRA has been maintaining Regional Centres at Shantipur (West Bengal), Guwahati (Assam) and Vizianagram (Andhra Pradesh) for strengthening the jute related activities in the region.

IJIRA website: www.ijira.org

Institute of Jute Technology (IJT), Kolkata

The Institute of Jute Technology (IJT) was established by Govt.of West Bengal as a Society registered under West Bengal Societies Registration Act 1961. The Institute offers four year B.tech. Degree course in Jute Technology Jute & Fiber Technology and four semester M.Tech Course in Technical Textiles Technology. It also offers Junior level Supervisor course for the jute industry.

IJT also conducts different short term training programmes for technical
personal and workmen in the jute industry and decentralised sector. It also conducts research under sponsorship of various national and International bodies, including IJSG.

IJT is funded by Ministry of Textiles Government of India through JMDJC on the basis of five yearly memorandum of understanding.

IJT website: http://www.ijtindia.org/

**INCENTIVES TO JUTE SECTOR**

(a) Extension of Duty Entitlement Pass Book (DEPB) benefits to Jute products

The Director General of Foreign Trade w.e.f July 3, 2006, revised the DEPB rates of the jute products as in table 6.2.

(b) Technology Upgradation Fund Scheme (TUFS)

The Scheme provides a focal point for modernization efforts through technology upgradation in the industry. The salient features of the Scheme are as follows:

- Under the Technology Upgradation Fund Scheme (TUFS), interest reimbursement of 5% on the interest actually charged by identified financial institutions on sanctioned projects is permissible and Technology Upgradation ordinarily

<table>
<thead>
<tr>
<th>Product Group: Miscellaneous</th>
<th>Product Code: 90</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>S. No.</strong></td>
<td><strong>Description</strong></td>
</tr>
<tr>
<td>24</td>
<td>Jute Soil Saver</td>
</tr>
<tr>
<td>25</td>
<td>Jute Yarn / Jute Twine</td>
</tr>
<tr>
<td>26</td>
<td>a. Hessian Cloth</td>
</tr>
<tr>
<td>27</td>
<td>b. Hessian made-up</td>
</tr>
<tr>
<td>26</td>
<td>a. Sacking Cloth</td>
</tr>
<tr>
<td>27</td>
<td>b. Sacking made-up</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Product Group: Plastics</th>
<th>Product Code: 63</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>S. No.</strong></td>
<td><strong>Description</strong></td>
</tr>
<tr>
<td>1.</td>
<td>Hessian Bags with LDPE/HDPE/PP liner/Lamination and with/without Zipper/Handle</td>
</tr>
<tr>
<td>2.</td>
<td>Jute Bags with HDPE liner/LDPEliner/ Lamination with/without Zipper/Handle</td>
</tr>
<tr>
<td>3.</td>
<td>PVC fabricated bags (made from PVC leather cloth backed jute and polypropelene)</td>
</tr>
<tr>
<td>4.</td>
<td>Poly jute bags</td>
</tr>
</tbody>
</table>
means induction of state-of-the-art or near state-of-the-art technology;

● Industrial Finance Corporation of India (IFCI) is the Nodal Agency for Jute sector; and

● Other than term loans, a number of instruments like Deferred Payment Guarantee Schemes (DPG), lease finance, non-convertible debentures, hire purchase scheme operated by NSIC etc. have also been additionally covered under the scheme.

IFCI has co-opted three State Finance Corporations (SFCs), one State Industrial Development Corporations (SIDC), seven commercial banks, three All India Financial Institutions (AIFIs) and Exim Bank for financing the jute industry. The Technical Advisory Committee determines the eligibility for assistance under the scheme, which consist of the Textiles Commissioner as the convenor, Jute Commissioner and technical experts from the Textile Research Institutions (TRAs), industry and academic field covering the different segments.

The following category of jute machinery is eligible for assistance under TUFS:

(a) Jute softening & carding, drawing, spinning and weaving
(b) Spinning and weaving/knitting of jute blends
(c) Jute-blended garment/made-up manufacturing
(d) Processing of jute products
(e) Processing of jute-blended products
(f) Material handling

The technology levels are benchmarked in terms of specified machinery for each sector of the textiles industry. The machinery with technology levels lower than that specified is not permitted for funding under the TUF Scheme.

The progress of sanction and disbursement under the Technology Upgradation Fund Scheme, as on March 31, 2009 is at table 6.3.

<table>
<thead>
<tr>
<th>Applications</th>
<th>No. of Applications</th>
<th>(Rs. Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Received</td>
<td>35</td>
<td>285.11</td>
</tr>
<tr>
<td></td>
<td></td>
<td>146.96</td>
</tr>
<tr>
<td>Sanctioned</td>
<td>32</td>
<td>269.16</td>
</tr>
<tr>
<td></td>
<td></td>
<td>139.34</td>
</tr>
<tr>
<td>Pending</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.00</td>
</tr>
<tr>
<td>Rejected Closed</td>
<td>3</td>
<td>15.95</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7.62</td>
</tr>
<tr>
<td>Assistance Disbursed</td>
<td>30</td>
<td>131.04</td>
</tr>
</tbody>
</table>
(c) Jute Technology Mission


The Jute Technology Mission (JTM) will be executed during the XIth Five Year Plan period with an overall outlay of Rs.355.56 crore. The objectives of JTM are:

- To improve yield and quality of jute fibre;
- To strengthen existing infrastructure for development and supply of quality seeds;
- Improvement of quality of fibre through better methods of retting and extraction technologies;
- To increase the supply of quality raw material to the jute industry at reasonable prices and to develop efficient market linkage for raw jute;
- To modernize, technologically upgrade, improve productivity, diversify and develop human resource for the jute industry;
- To develop and commercialise innovative technology for diversified use of jute and allied fibres.

The salient points of four Mini Mission of JTM are at table 6.4.

(d) Non Plan Schemes of JMDC

The Jute Manufactures Development Council, by virtue of the JMDC Act, 1983 and Jute Manufactures Cess Act, 1983, receives collections from Cess on Jute and is mandated to undertake the

<table>
<thead>
<tr>
<th>Mini Missions</th>
<th>Objectives</th>
<th>Executing Ministry</th>
<th>Proposed outlay (Rs in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mini Mission - I</td>
<td>To strengthen agricultural research and technology achievements</td>
<td>Ministry of Agriculture</td>
<td>7.06</td>
</tr>
<tr>
<td>Mini Mission - II</td>
<td>Development/extension of raw jute and transfer of improved technology</td>
<td>Ministry of Agriculture</td>
<td>49.90</td>
</tr>
<tr>
<td>Mini Mission - III</td>
<td>To develop efficient market linkages for raw jute</td>
<td>Ministry of Textiles</td>
<td>38.60</td>
</tr>
<tr>
<td>Mini Mission - IV</td>
<td>To modernize, technologically upgrade, improve productivity, diversify and develop human resource for the jute industry.</td>
<td>Ministry of Textiles</td>
<td>260.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>355.55</td>
</tr>
</tbody>
</table>
following activities out of the said collections:

- Facilitating development work related to jute agriculture with respect to improvement of quality and increase in the yield of jute.
- Promotion of better marketing and sale of jute.
- Improvement of productivity and efficiency of the jute industry.
- Promoting standardization of jute manufactures.
- Market development.
- Sponsoring scientific, technological and economic research.
- Collection and dissemination of information to all the stakeholders in jute --- Government, industry, growers, exporters.

During 2008-09, JMDC from its Non-plan grants had implemented following schemes:

(i) EMA Scheme - receiving claims pertaining to the export of till 31.3.2007, processing and disbursing the claims of EMA of Rs.2167.04 lakh.

(ii) Receiving, processing and disbursement of residual claims under JMDC Incentive Scheme for Modernisation of Jute Industry (disbursed Rs. 194.71 lakhs in 2008-09).

(iii) Funding of Institute of Jute Technology, on the basis of MoU entered into for sustainable human resource development.

(iv) Implementation of the Pilot Project on construction of Rural Road by using Jute Geo-Textiles under Prime Minister Gram Swarojgar Yojana (PMGSY).

(v) Follow up of the Life Cycle Analysis Study on Jute, Eco-label established building of Brand equity & Image of Jute, engagement of Brand Ambassador, setting up of Brand Equity Fund for Jute and Permanent Showrooms for Diversified Jute Products.

(vi) The Action Plan for 2009-10 covers activities for promotion of the use of jute and its array of products, both in domestic and export market. To achieve the above objectives, JMDC organizes:

- Exclusive Jute Fairs in India.
- Participates in regional, national and international expositions.
- Organisation of Seminars, Conferences, Buyer-Seller Meets, sponsoring of Jute delegations and Contact Promotion Programmes in India and abroad.
- Formulation and implementation of generic publicity campaigning of jute as an eco-friendly and bio-degradable product.

SCHEMES OF JUTE TECHNOLOGY MISSION

MINI MISSION - III

1. Development of Market Yard

There is a proposal, under the Scheme, to construct 10 marketing yards in major jute growing districts of the Country. The estimated cost of jute specific market yards is Rs.1 crore. Under the scheme Government of India provides 60% funding and State Government
contributes balance 40% of the total cost besides providing/acquiring land for the purpose of establishment of the market yards. Out of 10 market yards to be developed under this Scheme, civil work has been completed in 2 market yards, (1 in West Bengal (WB) and 1 in Assam), and civil work is in progress in another 6 places (5 in WB and 1 in AP). In Bihar the land for two market yards has been identified and final sanction from the State Government is awaited. Central Share of Rs. 1.80 crore been utilized upto March, 2009.

2. Construction of JCI Departmental Purchase Centres

In this scheme, it is proposed to construct 20 such facilities under the aegis of JCI in strategically important jute growing States where there is standing need for the same. The cost of construction is estimated at Rs.1 crore per DPC including cost of acquisition of land. Identification of land for construction of 20 DPCs has already been completed. Out of which JCI has got possession of land at 15 places(9 in WB,2 in Assam,1 in AP and 3 in Bihar). For remaining 5 places land allotment in under consideration of State Governments (1 each in Assam & Orissa and 3 in WB). Work has already been started in 15 places (11 in WB, 3 in Assam and 1 in AP). An outlay of Rs. 750 lakh was utilized during 2008-09.

3. Construction of Retting Tanks

Retting is the most important part of jute cultivation in terms of quality fibre production. Non-availability of adequate retting water poses hindrance in production of quality output. Encouraged by the successful outcome of our earlier project on construction of Community Retting Tanks, it is proposed to construct Retting Tanks to facilitate retting at least one in each jute producing districts of India in phased manner. In next five years, it is proposed to construct 50 retting tanks in staggered manner to provide retting water to the jute growers. It can also be utilized for demonstration and adoption of new retting methods like Biotechnological Retting Method by use of inoculum in order to improve the quality of jute fibre as well as reducing retting period. 90% of the cost of construction of retting tank would be sponsored under this scheme, and the remaining 10% would be contributed by the beneficiary. Construction of 6 retting tanks have been completed during 2008-09.

4. Demonstration of Retting Technology and Training to Jute Growers

The latest techniques in the jute cultivation, improved retting methods will be popularized through this programme. Expertise of CRIJAF and NIRJAFT under Ministry of Agriculture in the allied fields will be the source of knowledge bank. This scheme will help in upgrading the quality of jute produced and the changing demand of the industry can be taken care of. Under this scheme, a programme spread over five years has been formulated so that maximum number of jute growers can be brought under this training programme. Local Panchayats and State Agricultural Departments will also be involved for successful implementation. The training programme are organized so that proper dissemination of latest techniques can be made available to the jute growers at large. Follow- up measures are undertaken so that the training imparted is effectively implemented .The training programmes are being conducted through JCI DPCs in the jute growing districts of India. 45 demonstration has
already conducted this year against the target of 40 demonstration per year. 4 technologies developed for retting by different agencies has been used.

5. Development of Ribboners

In this scheme, there is proposal to develop Ribboners to the jute growers. The infrastructure of JCI will be utilized to distribute the Ribboners to jute growers. For effective implementation of the project, extensive demonstration before the growers would be organised to popularize the Ribboner Machine and to apprise them about its benefit. Two projects for development of High Speed ribboner have been sanctioned in 2008-09.

MINI MISSION-IV

A. Scheme For Modernisation Of Organised Jute Mills:

1. Training of Workers & Supervisors

Under this scheme, training programmes for the supervisors and workers for updating their knowledge and improve their skill in both processing stages and maintenance are organised in various jute mills through the Institute of Jute Technology (IJT). Various training manuals and modules have been developed and appropriate Human Resource Development (HRD) capsules designed and implemented under the programme. A total of 2,556 programmes will be conducted under 221 modules and 19,750 workers will be trained over a span of five years. HRD intervention is sought to improve the skill and update the knowledge of workers to match with the changed situation/environment. During 01.04.2008 to 31.03.2009, 1902 employees of 33 jute mills including Master Trainers, Supervisor, Sardars and workers have been trained. In addition 30 Resource Persons have also been trained.

2. Machinery Development

One of the main bottleneck for modernization of jute industry is lack of availability state-of-the-art machinery for jute fiber. Under this scheme, Research and Development efforts as well as the transfer of technology at each stage of processing is to be intensified and appropriate activities taken up.

For the development of new technology and high yielding machinery, a Machinery Development Centre (CJMD) is to established through PPP model. In addition, specific machinery development projects are being funded @ 75%, to be taken up through the proposed CJMD, indigenous machinery manufacturers as well as research institutions who have the credibility and required infrastructure. The selection of Private Partner and establishment of SPV had been completed and the process of establishment of CJMD is in progress as per programme schedule.Under the scheme 5 machines involved in core process of jute goods production have been identified for development and development of 2 machinery have already commenced.

3. Productivity Improvement & TQM Facilitation

This scheme provides an integrated and cohesive approach for supporting Jute Machinery Development Programmes under Mini-Mission IV of JTM and thereby considers time-bound proposals for financial support. Following studies are planned in this scheme.

- Total Quality Management
- Energy Management
- Waste Management
- Maintenance Management
- Work Study & Ergonomics
JMDC is conducting the studies by involving Institute(s) of repute at national level. 4 Agencies have been selected for implementation of the Scheme.

4. Acquisition of Machinery and Plant (Subsidy Component)

Under this scheme, the jute industry is being supported to adopt the new technology machinery for production of jute based products, conventional and non-conventional like foodgrade / odourless products, technical and industrial textiles, etc. The adoption of such new machinery will enable the Indian Jute Industry to cater to the demand of global market in terms of cost and quality in the coming years.

Various items of machinery and equipment, such as, Jute spreader machine, Spinning Preparatory System, Intersecting Gill, Finisher Drawing Frame, Apron/Slip Draft Flyer Spinning Frames, Ring Spinning Frames, Traditional hessian looms, High Speed Flexible of Rapier looms and Sulzer (Projectile) and Rigid Rapier (Denier)/ Flexible Rapier (Sulzer) loom will be acquired and installed by identified mills/units. Support will be provided for the same @ 20% Capital Subsidy. The entrepreneurs are free to choose between this Scheme or the interest subsidy scheme under the TUFS.

The maximum subsidy available in this scheme is Rs.75 lakh in case of existing mills, which may be enhanced to Rs.1 crore for North Eastern States and Rs.1 crore for altogether new mills. Under the scheme 36 cases have been settled and subsidy of Rs. 728.26 lakhs have been released facilitating investment of Rs. 3,644.09 lakhs in the jute industry for modernization and upgradation.

B Scheme for Promotion of Jute Diversification

1. Design & Development of Jute Diversified Products

NCJD has been operating a scheme on design and product development of jute diversified products for the last few years. It has been observed that in order to make jute products more acceptable to consumers in different sectors, it is essential to incorporate innovative designs and also add newer product range for diverse application. It is contemplated that it would be relevant to explore the characteristics of basic jute products, as that will help development of new products and new application areas for jute. The scheme envisages the use of jute yarn in Handloom sector, where the scope of developing new design for fabric and other woven products is very high. The scheme covers areas like designing & developing jute fabric on handloom, for diversification and end uses. Similarly, research on jute composites could open up new application areas in the field of packaging like boxes, containers and also as a cushioning media. Altogether, 19 R&D studies have been commissioned at a total project cost of Rs.911.76 lakhs for product development, quality improvement and promotion of non-conventional value added jute diversified products.

2. Scheme for Helping The NGOs and Women Self Help Groups (WSHGs)

NCJDs assistance to voluntary Organisation has been very effective. Such organizations and those comprising of small and tiny entrepreneurs could effectively contribute in mobilising jute activity, especially in rural areas. Unemployed youth and women folk could
very conveniently adapt to such simple technologies that are required to produce jute-diversified products (JDP). The technology dissemination activity is taken up in such a manner so as to make it more effective by engaging technical personnel. In addition to the above inputs, the scheme includes a provision for matching finance for machinery assistance. Such assistance will create an environment, which will be conducive to the growth of voluntary sector. Total 22 NGOs have been engaged to undertake various promotional activities like 9 Area Surveys, 38 Awareness Workshops, 108 basic training programmes, etc. which have led to the development of 3300 women entrepreneurs. 255 potential WSHGs have been identified. Out of these, 228 groups with 2280 artisans have been provided with basic trainings with tool kits. Initial and startup raw materials have also been provided.

3. Scheme for Promotion of Jute Diversification

The old schemes of the NCJD viz. Jute Service Centre Scheme, Jute Raw Material Bank Scheme, Design/Product Development Scheme, Market Support Scheme, Jute Entrepreneur Assistance Scheme and the Schemes for the North East Region have been merged and renamed as the "Scheme for Promotion of Jute Diversified Products".

The objective of the scheme is to establish the competitive environmental advantage of jute globally as well as boost the sale of jute goods by 50% globally and increase the share of JDPs to around 20% during the JTM period. In order to achieve the objective as given in the National Jute Policy 2005 an integrated approach is envisaged and conceptualized with emphasis on following key elements:

25 Jute Service Centres and 7 Jute Service Extension Centres have been set up to help the newly developed entrepreneurs. 37 Jute Raw Material Banks have been set up to provide raw material support to the entrepreneurs engaged in the jute diversification activities in remote areas. 401 activities have been conducted by the JSCs and 1,640 MT of Raw Materials have been sold through the JRMBs. Participation has been organized in 18 state/district/village/national level fairs for extending marketing support to the jute entrepreneurs. Besides, 1 No. International Fair was also organized. In addition 41 buyer-seller meet were organized.

2. Scheme for Setting Up of Jute Parks for the Diversified Sector

This scheme aims at providing entrepreneurs with support facilities similar to those available in Export Processing Zones. The aim of the Scheme is to attract entrepreneurs/units investing in new small jute mills/spinning units/weaving units with a view to generate employment/upgrade technology to optimize exports based on value addition. The scheme would

<table>
<thead>
<tr>
<th>Developmental Schemes</th>
<th>Jute Service Centre Scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Input Related Scheme</td>
<td>Jute Raw Material Bank Scheme</td>
</tr>
<tr>
<td>Marketing Schemes</td>
<td>Market Promotion Schemes and Campaigns for Jute Diversified Products</td>
</tr>
</tbody>
</table>
be executed through PPP mode on the lines of SITP scheme of Ministry of textiles. The subsidy available under this scheme for establishment of Jute park is 40%, subject to a maximum of Rs 7.5 Crore for NE states and Rs. 5 Crores for other states. In principle approval has been accorded to 4 Jute Parks viz. Rajasthan Jute Fab Park [Jaipur], Shaktigarh Jute Park [Burdwan, West Bengal] and two under WBIIDC at Rejinagar/Murshidabad and Coochbehar. SPVs have been formed in all cases. One Jute Park at Chakhaka, WB was sanctioned and other procedural matters are under process to ensure the awarding of 2 remaining Jute Parks at West Bengal and 1 at Rajasthan shortly. 2 more applications for establishment of Jute Parks in West Bengal are under active consideration.

C. Programmes for North East Region

10 % of the Jute Technology Mission budget has been reserved for executing the JTM schemes in the North East Region covering Assam, Arunachal Pradesh, Meghalaya, Manipur, Mizoram, Nagaland, Sikkim and Tripura.
CHAPTER VII

THE SERICULTURE & SILK TEXTILES INDUSTRY
CHAPTER VII

THE SERICULTURE & SILK TEXTILES INDUSTRY

India continues to be the Second largest producer of silk in the World. Among the four varieties of silk produced, as in 2007-08, Mulberry accounts for 88.7% (16245 MT), Eri 8.4%(1530 MT), Tasar 2.3%(428 MT) and Muga 0.6% (117MT) of the total raw silk production in the country.

Sericulture is an important labour-intensive and agro-based cottage industry, providing gainful occupation to around six million persons in rural and semi-urban areas in India. Of these, a sizeable number of workers belong to the economically weaker sections of society. There is substantial involvement of women in this Industry.

PHYSICAL PROGRESS

The physical progress is given at table 7.1.

BUDGET

For the year 2008-09, a provision of Rs 131.00 Crores under Plan and Rs.163.30 Crores under Non-plan has been made for CSB.

SILK EXPORTS

Silk Export Earnings during the years 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09 (up to January, 2009) are given at table 7.2.

Table 7.1

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Particulars</th>
<th>2008-09 Achievement</th>
<th>2009-10 Anticipated Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Area under Mulberry (Lakh Hectares)</td>
<td>1.81</td>
<td>2.10</td>
</tr>
<tr>
<td>II</td>
<td>Production of Rawsilk (Tons)</td>
<td>18360</td>
<td>22855</td>
</tr>
<tr>
<td>III</td>
<td>Employment (Lakh Persons)</td>
<td>N.A.</td>
<td>69.64</td>
</tr>
</tbody>
</table>

Table 7.2

(Rs. in crore)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Natural Silk Yarn Fabrics Made ups</td>
<td>2008.33</td>
<td>2228.88</td>
<td>2365.34</td>
<td>1897.06</td>
<td>1410.69</td>
</tr>
<tr>
<td>2</td>
<td>Readymade Garments</td>
<td>746.29</td>
<td>842.06</td>
<td>1164.81</td>
<td>746.55</td>
<td>1185.04</td>
</tr>
<tr>
<td>3</td>
<td>Silk Carpets</td>
<td>123.65</td>
<td>103.36</td>
<td>132.36</td>
<td>72.11</td>
<td>36.19</td>
</tr>
<tr>
<td>4</td>
<td>Silkwaste</td>
<td>1.29</td>
<td>19.90</td>
<td>22.78</td>
<td>12.15</td>
<td>5.13</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>2879.56</td>
<td>3194.20</td>
<td>3244.44</td>
<td>2727.87</td>
<td>2637.05</td>
</tr>
</tbody>
</table>
CENTRAL SILK BOARD

Central Silk Board is a statutory body, under the administrative control of the Ministry of Textiles, Govt. of India. Established in 1948, by an Act of Parliament, (Act No.LXI of 1948). The CSB has been entrusted with the overall responsibility of developing silk industry covering the full gamut of sericulture activities in the country from development of food plants to silk cocoons for production of silk yarn including formation of policies governing import & export of silk. CSB is basically an R&D Organization. One of the important activities of the CSB is undertaking, assisting and encouraging scientific, technological and economic research in the Silk Sector. The programmes for the development of the sericulture and silk textiles industry are primarily formulated and implemented by the State Sericulture / Textile Departments. However, the Central Silk Board supplements the efforts of the States by providing necessary support for research and development and extension and training through its countrywide network of centres. Besides, the Central Silk Board organizes production and supply of quality silkworm seeds, mulberry cuttings/ saplings, etc., and also implements various sericulture projects directly, as well as jointly, with the State Sericulture Departments. Also, Central Silk Board collects and compiles sericultural statistics both at national and global level.

PROJECT APPROACH: PACKAGING OF SCHEMES IN XI PLAN:

CATALYTIC DEVELOPMENT PROGRAMME (CDP)

During XI Plan, the Catalytic Development Programme (CDP) have been restructured in order to focus on complete and holistic development of sericulture industry in all the Sericulture States of the country, involving States and stakeholders for sustainability and improvement in output in terms of quality and quantity. The programme would catalyze the efforts of States to increase production of raw silk including superior quality Bivoltine silk, increase cumulative employment and exports by end of the XI Plan period. The programme is being implemented as a Centrally Sponsored Scheme in a package-mode. The components are beneficial for both existing and new farmers practicing sericulture. The State Departments of sericulture have to identify existing as well as new farmers and offer the components according to their requirements from out of the basket of components. The packages under CDP covers three major areas - Seed sector, Cocoon sector and Post-cocoon sector and will be supplemented by other components of Support Services, which are common to all packages.

The total outlay for implementation of the CDP during the XI Plan is pegged at Rs.1,476.24 crores, of which CSB’s share is Rs.661.62 crores. The entire expenditure is non-recurring in nature. Of the approved allocation of Rs.81.01 crores for the first year (2007-08), the Central Silk Board considered the proposals of States based on the recommendations of the Apex Monitoring Committee and released/spent a total amount of Rs.80.82 crores towards implementation of various schemes / components under CDP.

During the year 2008-09, as against the total sanctioned amount of Rs.76.73 crores by Govt. of India for implementation of CDP, as per the recommendations of the Apex Monitoring Committee, a sum of Rs.90.74 crores has been released/spent.

During XI Plan period, it is targeted to produce 26,000 MTs of both mulberry and non-mulberry silks (which includes production of 5000 MTs of superior quality bivoltine raw silk) and generate a cumulative employment of 77.04 lakh
persons, by end of XI Plan. Considering the potential for expansion of sericulture in the country and with a view to provide / improve livelihoods besides increasing income of the poor people in rural areas, it is also proposed to increase the area under mulberry food plants from 1.92 lakh ha. to 2.18 lakh ha. by end of XI Plan.

Keeping in view the importance of production of superior quality of bivoltine silk to reduce the import cost, greater thrust to Vanya silk and creating more employment in rural areas through sericulture practices etc., implementation of Catalytic Development Programme has been continued during the XI Plan with modifications along with certain new initiatives and some more inputs.

RESEARCH AND DEVELOPMENT

- The main Research & Training institutes of the CSB provide R&D and Training support for the development of sericulture. The Institutes at Mysore (Karnataka), Berhampore (West Bengal) and Pampore (J&K) deal with mulberry sericulture. The one at Ranchi (Jharkhand) deals with Tasar culture. The institute established at Ladoigarh, Jorhat (Assam) deals with Muga and Eri-culture. Regional Sericultural Research Station (RSRS / RTRS) for mulberry and non-mulberry has been functioning for the dissemination of research findings and for tackling the regional field issues of the industry. Besides, a network of Research Extension Centres (REC) & its sub-units for mulberry and non-mulberry are also functioning to provide extension support to sericulturists. In order to provide R&D support in post-cocoon sector, the Board has established a Central Silk Technological Research Institute (CSTRI) at Bangalore. In addition, the CSB has also set-up a Silkworm Seed Technology Laboratory (SSTL) in Bangalore (Karnataka), a Central Sericultural Germplasm Resources Centre (CSGRC) at Hosur (Tamil Nadu) and a Seri-Biotech Research Laboratory (SBRL) at Bangalore.

- Research work on the 'on-farm' sector is directed mainly to evolve stress tolerant mulberry varieties, which give high leaf yield, breeding superior silkworm hybrids besides evolving improved techniques of silkworm rearing and integrated control of pests and disease for both mulberry and silkworms. During 2007-08, 271 research projects were under various stages of implementation of which 79 projects were concluded. The remaining were continued through 2008-09.

- During 2008-09, 205 research projects are being implemented which includes new research projects approved by the RAC of the respective institutes. Against a target of 89 research projects scheduled to be concluded, 78 projects have already been concluded and the remaining 11 projects are continuing.

- Under On-farm trials (OFTs), overall the cocoon yield of PM X CSR 2 increased by 22% in the Integrated Pest and Disease Management (IPDM) implemented trials compared to farmers' practice in Coimbatore region. Whereas in Erode region, the increase was 49% over control. The economic parameters viz. larval weight, cocoon weight, shell weight, shell ratio were higher in IPDM trials when compared to farmers' practice, both in Coimbatore and Erode regions. Similar results were observed on P2D1 x NB4D2 in both the regions.

- On the post-cocoon sector, various machineries have been developed for utilization of inferior quality
cocoon for production of diversified silk material for weaving. Tasar reeling technology package is being popularized for production of superior quality tasar silk. Production of fancy yarns and other diversified fabrics for production of different types of fabrics are under progress.

**SEED ORGANISATION & HRD**

**SILKWORM SEED PRODUCTION AND SUPPLY**

Under National Silkworm Seed Organization (NSSO), a network of 18 Basic Seed Farms (BSF) produce and supply the basic seed for production of commercial silkworm seed in the seed production centres functioning under CSB and State Departments. 20 Silkworm Seed Production Centres (SSPCs) are functioning under NSSO in different States to support the industry. During the year 2007-08, these commercial SSPCs have made a record production of 283.86 lakh Disease Free Layings (dfls) against the target of 269.00 lakh and achieved 105.52%. Emphasis was given towards production of quality dfls by adopting Quality Management System in seed production under ISO 9001:2000 certification in eight SSPCs. During the year 2008-09, against the target of 286 lakh dfls, SSPCs have produced 279.52 lakh commercial dfls and achieved 98%.

On the tasar side, the CSB has established 21 Basic Seed Multiplication & Training Centres (BSM&TC) and one Central Tasar Silkworm Seed Station (CTSSS) for supply of tropical tasar basic seed & 1 oak tasar grainage and 3 REC-cum-BSM&TCs for supply of oak tasar basic seed. Under muga sector, 8 Basic Seed Farms and 1 Silkworm Seed Production Centre are functioning. For production and supply of eri seed, CSB has established 5 Silkworm Seed Production Centres.

In the year 2008-09, 34.04 lakh tasar basic seed, 1.42 lakh oak tasar basic seed, 0.76 lakh muga basic seed have been produced and supplied to State Departments for further multiplication. The muga and eri SSPCs have produced a quantity of 0.38 lakh and 1.62 lakh commercial seeds respectively during the year 2008-09.

**TRAINING**

The CSB organizes a number of training programmes at its Research and Training Institutes. The total number of persons trained during 2007-08 and 2008-09 is given at table 7.3.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Training courses</th>
<th>2007-08</th>
<th>2008-09</th>
<th>Category of Trainees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of courses/ batch</td>
<td>No. of persons trained</td>
<td>No. of courses/ batch</td>
<td>No. of persons trained</td>
</tr>
<tr>
<td>1</td>
<td>Structured Courses</td>
<td>3</td>
<td>52</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>Capsule Courses</td>
<td>54</td>
<td>407</td>
<td>30</td>
</tr>
<tr>
<td>3</td>
<td>Adhoc Courses</td>
<td>154</td>
<td>1975</td>
<td>70</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL :</strong></td>
<td><strong>2434</strong></td>
<td></td>
<td><strong>2722</strong></td>
</tr>
</tbody>
</table>
SCHEMES & PROJECTS BEING IMPLEMENTED / PROPOSED TO BE IMPLEMENTED BY CSB AND STATES WITH EXTERNAL / INTERNAL ASSISTANCE FOR DEVELOPMENT OF SERICULTURE:

A. EXTERNAL ASSISTANCE

PROJECT FOR ORGANIZING THIRD COUNTRY TRAINING PROGRAMME ON BIVOLTINE SERICULTURE TECHNOLOGY ASSISTED BY JICA

The Japan International Cooperation Agency (JICA) and the Central Silk Board (CSB) have jointly worked in technical cooperation in the area of development and popularization of Bivoltine Sericulture Technology suited to Indian agro-climatic conditions for past fifteen years.

In this cooperative endeavour, a good number of bivoltine silkworm breeds have been developed along with a comprehensive Bivoltine Sericulture Technology package and suitable model for Extension and Seed production system, besides generating well-trained manpower for sustained development of Bivoltine silk in the country. The success of the JICA Projects encouraged the farmers, reelers and the Sericultural organizations to take up large-scale promotion of bivoltine silk mainly in 3 Southern States.

Encouraged by the success of the cooperation programme, JICA has come up for assisting a third country training programme for some of the Afro-Asian countries to disseminate the knowledge and skills on bivoltine sericulture technologies to these silk producing countries. A Record of Discussions was signed by the Resident Representative, JICA India Office, New Delhi; Member Secretary, CSB; Under Secretary, Ministry of Finance (DEA); Govt. of India and Director (Silk), Ministry of Textiles, Govt. of India, New Delhi on 15th January 2008, for organizing third Country Training Programme on "Bivoltine Sericulture Technology" for the participants of Afro-Asian Countries, viz., Bangladesh, Cambodia, Ethiopia, Ghana, Indonesia, Kenya, Laos, Madagascar, Nepal, Nigeria, Pakistan, Philippines, Sri Lanka, Vietnam and Uganda.

As per the programme, Central Silk Board has organized training for 13 officers in 'Administrative Course' and 13 in 'Technical Course', nominated from 7 different countries during this year.

B. INTERNAL ASSISTANCE

1. SPECIAL SGSY PROJECT FOR DEVELOPMENT OF TASAR AND ERI CULTURE IN BIHAR AND JHARKHAND

Two special SGSY Projects for development of Tasar and Eri culture are being implemented in the States of Bihar and Jharkhand with financial assistance from Ministry of Rural Development, Govt. of India from the year 2003-04. Central Silk Board is the Executing Agency, which closely monitors the implementation and extends the necessary technological support through units of CTR&Ti, Ranchi on pre-cocoon aspects, BTSSO, Bilaspur for seed requirement and CSTRI, Bangalore on post cocoon activities. CSB also meets the entire requirement of basic seed through the BSM&TCs in the two states. The projects are being implemented in both the States by Professional Assistance for Development Action (PRADAN), an NGO.

Till March 2009, an amount of Rs.663.041 lakh was released to Bihar State under the project, which includes Rs.495.426 lakh from MORD and Rs.167.615 lakh from CSB. An amount of Rs.880.671 lakh has been released to Jharkhand State under the project which includes Rs. 653.179 lakh from MORD and Rs. 227.581 lakh from CSB.
2. SPECIAL SGSY PROJECT ON DEVELOPMENT OF MULBERRY SERICULTURE IN LAI, MARA AND CHAKMA AUTONOMOUS DISTRICT COUNCILS OF MIZORAM

Three Projects prepared by CSB for Lai, Mara and Chakma ADCs of Mizoram State at total cost of Rs. 5,100.00 lakhs @ Rs. 1,700.00 lakhs each are being implemented by DOS, Govt. of Mizoram with financial assistance from MORD and CSB for a period of five years in two phases from 2002-03. The first phase of all the three projects started during 2002-03 at Rs. 512.00 lakhs each. MORD has released funds to the tune of Rs.701.45 lakhs for three ADCs and Rs. 219.60 lakhs were released by CSB as its share under CDP (up to Oct, 08).

3. SPECIAL SGSY PROJECT FOR DEVELOPMENT OF MULBERRY SERICULTURE IN UTTARAKHAND

The Ministry of Rural Development (MORD), Government of India has sanctioned a project entitled "A Special SGSY Project for Development of Mulberry Sericulture in Uttarakhand" at a total cost of Rs.757.84 lakhs. MORD share is Rs.417.009 lakhs, CSB/State share is Rs.153.899 lakhs, bank credit is Rs.131.205 lakhs and the beneficiary contribution is Rs.55.727 lakhs, to be implemented over a period of 5 years from 2007-08 to 2011-12, covering 1090 swarojgaris.

Till March 2009, an amount of Rs.185.82 lakhs including MORD share of Rs.102.566 lakhs and CSB share of Rs.83.259 lakhs has been released under the project.

4. MICRO PROJECT FOR DEVELOPMENT OF OAK TASAR IN MANIPUR (PHASE-II)

Second Phase of "Micro Project for Development of Oak Tasar in Manipur" was initiated in the year 2007-08 for a period of five years coinciding with XI Plan period (2007-12) at a total cost of Rs 387.368 lakhs with CSB, State and beneficiary share of Rs. 227.421 lakhs, Rs. 64.203 lakhs and Rs. 87.429 lakhs respectively and the balance is credit from financial institutions. The project is being implemented by Manipur State Sericulture Cooperative Federation Ltd., (MSSCF).

PROJECTS WITH R&D FUNDS

1. ERI CULTURE IN TAMIL NADU, PONDICHERRY & KERALA STATES IN INDIA: A study on feasibility, technology development, refinement and transfer

As a prelude to introduce sustainable Eriiculture in the southern states, CSB has sanctioned an R&D project, 'ERI Culture in Tamil Nadu, Pondicherry & Kerala States in India to study the feasibility, technology development, refinement and transfer for development of Eriiculture. The project was awarded to S. Jayaraj Research Foundation, Chennai for a period of 4 years (2003-04 to 2006-07), at a total cost of Rs.15.66 lakhs, against which the Central Silk Board has released Rs.12.682 lakhs. The project was extended upto 2007-08 to complete the set milestones.

2. Evaluation of the Nutritional Potential of Eri Silkworm Pupae

A project on 'Evaluation of the Nutritional Potential of Eri Silkworm Pupae' implemented by National Institute of Nutrition (NIN), Hyderabad is completed. The project is fully funded by Central Silk Board at a total cost of Rs.5.75 lakhs.

As per the objective of the project, NIN has completed the studies on chemical composition and nutrient evaluation of eri silkworm pre-pupae and pupae. Data on moisture, protein, fat, total ash, fiber, carbohydrate, iron, zinc, calcium,
magnesium and phosphorous has been compiled and protein quality evaluation has also been conducted. The final report is awaited with details of short-term toxicological evaluation of eri silkworm pupae and development of recipes using pupae and prepupae, which are reported to be completed. CSB has released Rs.4.686 lakhs for different activities under the project.

3. Increasing the cocoon productivity in western zone of Tamilnadu

A project entitled,' Increasing the cocoon productivity in western zone of Tamil Nadu' is under implementation by Centre for Plant Protection Studies, Department of Sericulture, Tamil Nadu Agriculture University, Coimbatore, Tamil Nadu for a period of three years from 2005-06 to 2007-08 at a total cost of Rs.10.85 lakhs, being funded together by Central Silk Board and NABARD.


The Central Silk Board has set up a 'Product Design, Development and Diversification and Market Support Cell', an R&D activity to support revival of traditional products, development and diversification of products, market information and support to entrepreneur and exporters, particularly, in the area of non-mulberry (Tasar, Eri and Muga) or Vanya silks with the coordination and involvement of the government agencies, such as AIFD, NIFT, WSC, ISEPC, NID, NGOs, representatives of different stakeholders of the sericulture industry and designers for development of new and diversified silk products. As envisaged by the Core Group of Product Development and Diversification Cell, a display centre "P3D - The Cocoon" has been inaugurated by the Union Minister of State for Textiles on 11th January, 2007 to promote R&D of Product Development and Diversification activity. The display centre is equipped with plotter, computer, design software, printers, resource centre etc. to facilitate the activity. 250-300 Nos. of silk samples/swathes and also book holders were made for display in the Centre. The activities of P3D under CDP are continued during XI Plan with an outlay of Rs.50 lakh.

5. 'Vanya' Production cum Training Centres

As a part of the Central Silk Board's efforts to consolidate the initial success achieved in product development, diversification and marketing of Vanya silks, Vanya Silks Production-cum-Training Centres (VPCTCs) have been established in the states of Jharkhand, Assam & Uttarakhand. The VPCTCs would function as Field Level Partners of the Product Development Cell of the Central Silk Technological Research Institute (CSTRI), Central Silk Board, Bangalore in introducing new designs, products and technologies in post-cocoon sector in a cost effective manner. The activities of VSMPC are continued during XI Plan at an outlay of Rs.100 lakh.

CLUSTER DEVELOPMENT PROJECTS

In pursuance of the suggestion from the Planning Commission and Ministry of Textiles, Govt. of India, CSB is promoting development of sericulture in the cluster mode throughout the country during XI Plan. The programme will be implemented in close association with the State Sericulture Departments. Under the Cluster Development Programme, the technical innovations will be disseminated in a systematic way to improve production, productivity and quality of cocoons to support the targeted production of both mulberry and vanya silks during XI Plan. The Cluster Development Programme creates interest among other farmers to
take up sericulture mainly due to the reason that the farmers shall get constant support/guidance from the implementing agency, from the stage of host plant development upto post cocoon activities. The programme also brings awareness among the sericulturists about the latest technologies developed and the kind of assistance available to improve sericulture.

During the year 2008-09, CSB and States have jointly identified locations and organised 31 sericulture clusters covering Mulberry (22), Tropical/temperate (Oak) Tasar (3), Muga (4) & Eri (2) sectors in 14 states covering Karnataka, Andhra Pradesh, Tamil Nadu, West Bengal, J&K, Maharashtra, Uttarakhland, Orissa, Uttar Pradesh, Himachal Pradesh, Assam, BTC, Mizoram and Meghalaya involving central share of funds of Rs.4.72 lakhs.

OTHERS

1. I.T. INITIATIVES

The IT initiatives, which were implemented as a separate scheme till X Plan, have now been merged with the R&D / training. Under the IT initiatives, during the XI Plan CSB shall implement a networking of cocoon markets and silk exchanges with free flow of information on the availability of raw material and market trends. All information required for traders, buyers and other stakeholders shall be hosted on the website. An expenditure of Rs.3.695 lakhs has been incurred upto March, 2009.

2. SILK MARK ORGANIZATION OF INDIA (SMOI)

The Ministry of Textiles came up with an initiative for the protection of the interests of the consumers and other stakeholders of the silk value-chain by bringing out “Silk Mark” Scheme in June 2004. Silk Mark, the Quality Assurance Label signifying that a product to which it is affixed is made of pure silk was launched by the Silk Mark Organisation of India (SMOI), a registered Society sponsored by the Central Silk Board under MoT. Silk Mark labels can be affixed to primary, intermediate and finished products of silk including yarn, fabric, sarees, made-ups, garments, carpets, etc.

Since the launch of Silk Mark in June 2004, over 1100 members have joined the Organisation, of whom, more than 900 have become Authorized Users. Nearly 60 lakh Silk Mark labelled products have reached the market. Apart from becoming familiar with the consumers, Silk Mark is gaining confidence of the Silk Industry as well. During 2008-09, 296 Members and 292 Authorised Users have been enrolled and 21.29 lakh of Silk Mark labelled products have reached the market.

SMOI had participated in various exhibitions and conducted Awareness Programmes for consumers and trade across the country, to promote the Silk Mark Scheme. During 2008-09, SMOI participated in as many as 262 exhibitions/ Workshops/ Road shows etc.

3. VANYA SILK MARKET PROMOTION CELL (VSMPC)

Vanya Silk Market Promotion Cell (VSMPC) was established under X Plan CDP scheme with an objective of providing input support to Vanya Silks in the areas of Market Promotion, Product Development and Diversification. The activities of VSMPC are continued during XI Plan at an outlay of Rs. 100 lakhs. The Advisory Committee of VSMPC headed by the Member Secretary, CSB has been re-constituted with members from AIFD, Bangalore, NIFT, Bangalore, IIM, Bangalore, NIFT-TEA KFI, Tripper, and officers from CSB and CSTRI, Bangalore for effective functioning of the cell.
4. AUTOMATIC REELING MACHINES (ARM)

The Govt. of India is supporting the establishment of ARM units under the centrally sponsored Catalytic Development Programme of CSB during the XI Plan, with a physical target of 10 units. CSB, in association with the State, has identified two entrepreneurs from Karnataka and one from Tamil Nadu for the establishment of ARM units for the year 2008-09. The Govt. of India provided a subsidy of Rs. 50.00 lakhs towards the procurement of automatic reeling machinery & equipment. On a pilot basis, two such units, one in Jangaon, Warangal District of Andhra Pradesh and the other in Gobichettipalyam, Erode District of Tamil Nadu, were approved and established on 8th July, 2008 and 23rd August, 2008 respectively.

INDIAN SILK EXPORT PROMOTION COUNCIL

The Indian Silk Export Promotion Council (ISEPC), Mumbai continues to undertake activities relating to promotion of exports of natural silk goods from India and to act as the registering authority for silk exporters. The Council produces and disseminates information to its members about market developments in the world, changes in the trade policies etc. through its monthly magazine known as the "Silk Net". The silk sample catalogues containing sample swathes of the full range of silks available in India brought out by the Council are available to potential buyers, importing textile agents and Indian Missions abroad.
CHAPTER VIII

THE WOOL AND WOOLLEN TEXTILES INDUSTRY
CHAPTER VIII

THE WOOL AND WOOLLEN TEXTILES INDUSTRY

The Wool and Woolen Textiles Industry is a rural based, export oriented industry in which the organized sector, the decentralized sector, and the rural sector complement each other. The industry provides employment to approximately 27 lakh work force in a wide spectrum of wool related activities. The country is the seventh largest producer of wool and contributes 1.8% to total world production. The production of indigenous raw wool in 2007-08 was 45 mn kg. of the total production of raw wool, 5% is apparel grade, 85% carpet grade, and 10% coarse grade. Since the domestic produce is not adequate, the industry is dependent on imported raw material. Wool is the only natural fibre in which the country is deficient.

A small quantity of specialty fibre is obtained from Pashmina goats and Angora rabbits. There are 958 woolen units in the country, the majority of which are in the small scale sector. During the XIth Five Year Plan period, the Government is implementing the following Schemes: (i) Integrated Wool Improvement & Development Programme (IWIDP), (ii) Quality Processing of Wool and (iii) Social Security Scheme. The Schemes are being administered in the major wool producing States by the Central Wool Development Board (CWDB), Jodhpur, through respective State Government Organizations / NGOs, Societies etc.

Table 8.1
Status of Wool & Woollens Textiles Industry

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total no. of existing units, including decentralized hosiery and shawl sector</td>
<td>958</td>
</tr>
<tr>
<td>Total no. of persons employed, including persons associated in sheep rearing and farming sector and weavers in carpet sector</td>
<td>27 lakh</td>
</tr>
<tr>
<td>Total Production</td>
<td>Rs. 8,500 Crore</td>
</tr>
<tr>
<td>Total Investment</td>
<td>Rs. 20,000 Crore (Excluding Carpet Sector)</td>
</tr>
<tr>
<td>Total Imports</td>
<td>Rs. 1,100.75 Crore* (upto Dec. 08)</td>
</tr>
<tr>
<td>Total Exports</td>
<td>Rs. 4,419.54** Crore (upto Dec. 08)</td>
</tr>
</tbody>
</table>

* Woollen yarn & fabric, raw wool and woolen/synthetic rags.
** Woollen yarn fabric, made up set, RMG Wool, Carpet Handmade
(i) **ORGANISED SECTOR**

a) Composite Mills  
b) Combing Units  
c) Worsted and Non-Worsted Spinning Units  
d) Knitwear and Woven Garment Units.  
e) Machine Made Carpet Manufacturing Units.

(ii) **DECENTRALISED SECTOR**

a) Hosiery and Knitting Units  
b) Powerloom Units  
c) Hand-made Carpets, Druggets, and Namadahs units  
d) Independent Dyeing and Process Houses.

**Raw Material**

**Table 8.2**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>QUANTITY (In Million Kg.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-2005</td>
<td>44.60</td>
</tr>
<tr>
<td>2005-2006</td>
<td>44.90</td>
</tr>
<tr>
<td>2006-2007</td>
<td>45.20</td>
</tr>
<tr>
<td>2007-2008</td>
<td>45.00</td>
</tr>
</tbody>
</table>

(Source: Ministry of Agriculture, Department of Animal Husbandry)

**Import**

i. **Raw Wool (Merino/New-Zealand-Greasy/Scoured)**

**Table 8.3**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>QUANTITY (In Million Kg.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-2005</td>
<td>84.76</td>
</tr>
<tr>
<td>2005-2006</td>
<td>90.18</td>
</tr>
<tr>
<td>2006-2007</td>
<td>99.62</td>
</tr>
<tr>
<td>2007-2008</td>
<td>93.08</td>
</tr>
<tr>
<td>2008-2009</td>
<td>54.84</td>
</tr>
<tr>
<td>(upto Dec. 08)</td>
<td></td>
</tr>
</tbody>
</table>

(Source: DGCI&S, Kolkata)

ii. **Rags (Woollen/Synthetic)**

**Table 8.4**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>QUANTITY (In Million Kg.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-2005</td>
<td>69.05</td>
</tr>
<tr>
<td>2005-2006</td>
<td>103.03</td>
</tr>
<tr>
<td>2006-2007</td>
<td>110.26</td>
</tr>
<tr>
<td>2007-2008</td>
<td>92.47</td>
</tr>
<tr>
<td>2008-2009</td>
<td>66.82</td>
</tr>
<tr>
<td>(upto Dec. 08)</td>
<td></td>
</tr>
</tbody>
</table>

(Source: DGCI&S, Kolkata)

**Wool Products**

**Table 8.5**

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>2005-06</th>
<th>2006-07</th>
<th>2007-08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worsted yarn</td>
<td>Kg</td>
<td>53.00</td>
<td>58.00</td>
<td>60.00</td>
</tr>
<tr>
<td>Woollen yarn</td>
<td>Kg</td>
<td>34.00</td>
<td>35.00</td>
<td>36.00</td>
</tr>
<tr>
<td>Wool tops</td>
<td>Kg</td>
<td>33.00</td>
<td>35.00</td>
<td>37.00</td>
</tr>
<tr>
<td>Fabric (Woollen/ Worsted)</td>
<td>Mtr</td>
<td>75.00</td>
<td>80.00</td>
<td>85.00</td>
</tr>
<tr>
<td>Shoddy yarn</td>
<td>Kg</td>
<td>32.00</td>
<td>37.00</td>
<td>43.00</td>
</tr>
<tr>
<td>Blankets (Shoddy/ Woollen)</td>
<td>Pcs</td>
<td>14.00</td>
<td>16.00</td>
<td>18.00</td>
</tr>
<tr>
<td>Shoddy fabrics</td>
<td>Mtr</td>
<td>24.00</td>
<td>28.00</td>
<td>33.00</td>
</tr>
<tr>
<td>Knitwear/ woven wear goods</td>
<td>Kg</td>
<td>16.00</td>
<td>17.50</td>
<td>19.00</td>
</tr>
<tr>
<td>Hand-made carpets</td>
<td>Sq. Mtr</td>
<td>09.00</td>
<td>10.00</td>
<td>11.00</td>
</tr>
<tr>
<td>Machine-made carpets</td>
<td>Sq. Mtr</td>
<td>00.50</td>
<td>00.50</td>
<td>00.50</td>
</tr>
</tbody>
</table>

(Source: IWMF, Mumbai)
Installed Capacity

<table>
<thead>
<tr>
<th>Component</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. (a) Wool Combing</td>
<td>30 Million Kg.</td>
</tr>
<tr>
<td>(b) Synthetic Fibre Combing</td>
<td>3.57 Million Kg.</td>
</tr>
<tr>
<td>ii. Worsted spindles</td>
<td>6.04 lakh</td>
</tr>
<tr>
<td>iii. Non Worsted spindles</td>
<td>4.37 lakh</td>
</tr>
<tr>
<td>iv. Powerlooms</td>
<td>7228</td>
</tr>
<tr>
<td>v. (a) Machine-made carpets</td>
<td>0.50 Mn. Sq. Meter</td>
</tr>
<tr>
<td>(b) Hand-made carpets</td>
<td>9 Mn. Sq. Meter</td>
</tr>
</tbody>
</table>

CENTRAL WOOL DEVELOPMENT BOARD, JODHPUR

The Central Wool Development Board Jodhpur, Rajasthan was set up under the Rajasthan Societies Registration Act, 1958 in July 1987, to administer the implementation of programmes and schemes in central sector for the promotion and development of wool and woollen industry in the country.

The Government of India, vide Gazette Notification No. 2/17/2003-W&WT dated September 17, 2008, has reconstituted the Board for a period of two years with Shri Sagar Raika, a non-official Member, as Chairman of the Board and the Joint Secretary (Wool), Ministry of Textiles as the Vice-Chairman of the Board.

The Ministry of Textiles had allocated Rs. 1,500 lakh to the Central Wool Development Board (CWDB) during 2008-09 to implement various Plan Schemes and Programmes for the holistic growth and development of wool sector. The Board had utilized Rs. 1,480 lakh under Plan head. On the Non-Plan side a provision of Rs.150 lakh was made for 2008-09, which was fully utilized.

During 2008-09, the Central Wool Development Board had undertaken the following activities:

1. Integrated Wool Improvement and Development Programme (IWIDP)

The Integrated Wool Improvement & Development Programme (IWIDP), the flagship Scheme of Wool Sector, is being implemented during the XIth Five Year Plan period at an estimated cost of Rs. 41 crore. The Scheme provides support to the Industry & Wool growers to qualitatively upgrade product and technology to enable them to get better returns for their products and get a larger share of the domestic and global market. The Programme has two main components: (i) Improvement of Wool Fibre and (ii) Human Resource Development and Marketing Activities.

During the XIth Five Year Plan period, the Programme aims to cover 26 lakh sheep, set up 24 Multipurpose Extension Centres & 6 rearing farms and supply 26,000 stud rams for breed improvement.

Improvement of Wool Fibre

(i) Sheep & Wool Improvement Scheme

The Sheep & Wool Improvement Scheme was introduced during the Xth Five Year Plan period, as part of Integrated Wool Improvement Programme (IWIP), to provide Health Care to sheep to improve their breed, to set up Multipurpose Extension Centres, provide marketing and support, product development Support and marketing assistance to the breeders. The National Institute of Rural Development (NIRD), Hyderabad, had evaluated the scheme at the end of Xth Five Year Plan and recommended that:

- The Sheep & Wool Improvement Scheme may continue for some more years
● The allotment of fund under Health Care may be increased and focus should be on vaccination, de-worming, etc.

● The purchase price of Ram be increased up to Rs. 4,000 per ram to facilitate greater procurement of quality rams and give stimulus to breed improvement

● The intensity and frequency of health camps may be increased

● The Multipurpose Extension Centre may be set up on priority basis

● The Product Development and Marketing Assistant may continue

● The Marketing of Wool may be given greater priority

These measures were incorporated in the Scheme. During 2008-09, 22 lakh sheep were covered under the Scheme in the project areas and 10.70 lakh sheep in the non-project areas, with financial allocation of Rs. 968 lakh. The Board utilized Rs. 968 lakh in project and non project area in the States of Rajasthan, Gujarat, Madhya Pradesh, Uttrakhand, Maharashtra, Haryana and Jammu & Kashmir.

(ii) Angora Wool Development Scheme

The Angora Wool Development scheme was first introduced during the IXth Five Year Plan period. It supports angora rearing activity among farmers, strengthens Germplasm Centre (GPC), and facilitated distribution of rabbit among rearers as foundation stock along with necessary training and feed and nutritional support. The scheme is part of IWIDP during the XIth Five Year Plan period and has the following components:

i) Establishment of Mini Angora rabbit Farm

ii) Mini Feed Manufacturing Units

iii) Common Facility Centre (CFC) for Angora Wool Processing and Training

iv) Research & Development,

v) Strengthening of Angora rabbit Germplasm Centre.

During the financial year 2008-09, 120 Angora rabbit rearing families were covered at an estimated cost of Rs. 57.10 lakh.

(iii) Pashmina Development Scheme

During the Xth Five Year Plan period, the Scheme for the development of Pashmina Wool was launched in Leh-Ladakh region of J&K as part of Prime Minister Special Package. The Scheme is continuing in the XIth Five Year Plan period. The components of the Scheme are:

● Buck Exchange Programme

● Distribution of high quality Pashmina bucks in non-traditional areas to enhance Pashmina production

● Training of formation of Breeders Association (Guilds) or village Pashmina Cooperative Societies

● Establishment of Fodder Bank

● Refresher Training to Nomadic Breeders as Paramedics

● Health Coverage

● Refresher Courses to In-service Candidates for 3 days/breeders camps

● Fodder Development

● Provision of improved Pashmina Combs for Efficient Harvesting of Pashmina

During 2008-09, the Board covered 800
families in Ladakh region of J&K with a financial provision of Rs. 41 lakh.

**B. Human Resource Development & Promotional activities:**

During the XIth Five Year Plan period, CWDB carried out various activities under the Support Services component. The Board is continuing these activities during the XIth Five Year Plan period. The following activities are part of Support Services:

- Marketing and Promotional activities (organizing of fairs and Woollen Expos, seminar and workshops, etc.)
- Market Intelligence and Publicity
- Publication of quarterly news magazine 'Wool Bulletin'
- Research, Study and Consultancy
- Training under Weaving and Designing Training Centre, Kullu
- Monitoring and Evaluation of Scheme
- Human Resource Development and Training to farmers/breeders/weavers
- Strengthen and upgrade wool testing, wool grading and marketing facilities.

During the financial year 2008-09, the Board had provided Rs. 184 lakh for the above activities. The Board had utilized Rs. 184 lakh and imparted training to 295 persons and organized 15 woollen Expos at Ahmedabad, Godhra (Gujarat), Jodhpur, Bikaner, Udaipur, New Delhi, Lucknow, Ludhiana, Chandigarh, Guwahati, Pune, etc.

2. **Quality Processing of Wool and Woollen Scheme**

The unorganized Woollen Sector suffers from inadequate processing facilities. The pre loom & post loom facilities are outdated. The sector uses crude form of carding, which results in low productivity, besides affecting the health of workers. The spinning technology is primitive, which is urgently required to be upgraded through improved equipments. The Scheme provides a comprehensive service package from deburring to carding & spinning stage. The setting up of modern plants will increase wool-processing capacity and brings value addition to Indian wool industry and creates more employment and augments income of persons engaged in these decentralized activities.

The agency under the Scheme has to bear the cost of land & building. The Government of India provides non-recurring grant for purchase of machinery required for setting up of a unit. The recurring expenditure is borne by the agency/association.

A provision of Rs. 100 lakh was made in 2008-09 to set up 2 Common Facility Centers for Pre-loom activity like wool scouring, drying, deburring and carding, etc. The scheme is being implemented in project mode with Rs. 50 lakh or 50% of the total project cost, whichever is less towards cost of machinery. During the year 2008-09, the Board has setup 2 Common Facility Centers under pre-loom activity in the States of Rajasthan (Kekri) and Punjab (Pathankot), at a financial outlay of Rs. 80 lakh.

3. **Social Security Programme for Sheep Breeders**

**Sheep Breeders Insurance Scheme**

Approximately 12 Lakh people are engaged in Sheep breeding and rearing
activities. The majority of them are living below the poverty line or are marginally above poverty line. The sheep breeder generally leads migratory life style in search of suitable green pastures. During migration, they face adverse conditions such as rains, cyclones, storms, snakebite, attack of wild animal, etc., and also lack of medical and insurance facilities. Therefore, Government of India has decided to protect this vulnerable section of society by providing them insurance cover. The Central Wool Development Board is implementing the Sheep Breeders Insurance Scheme during XIth Five Year Plan period. The basic objective of the Sheep Insurance Plan is to provide insurance cover to sheep in the case of accident including fire, lightning, storm, tempest, floods, inundation, earthquake, famine and diseases contracted or occurring during the period of the policy in project areas.

The normal period of insurance is 12 months and maximum period is three years co terminus with the project period of SWIS. The average cost of sheep is estimated at Rs. 1,200, between one year to nine years old and premium is 3.2% plus service tax of the cost of the animal per annum i.e. Rs. 44 sheep. The premium of Rs. 25 per sheep per year is paid by the CWDB and remaining Rs. 19 per sheep per year is contributed by the Beneficiaries. In the event of death of sheep, the sum assured of Rs. 1,200 becomes payable to the shepherd. The benefit of subsidy is being provided to a beneficiary for a maximum period of three years.

During the financial year 2008-09, the Board had made total financial provision of Rs. 150 lakh to provide insurance coverage for 45,000 sheep breeders and 12 lakh sheep. The Board has covered 34,680 sheep breeders and 3,910,63 sheep. The Board has also granted scholarship to 2,402 students studying in 9th standard to 12th standard 2008-09 through LIC of India under the scheme.

**FUTURE PLANS**

For the holistic growth and development of Wool Sector, the Government is making serious efforts to achieve the following objectives by 2012:

- Increase yield of speciality wool fibre viz., Pashmina and Angora
annual report 2008-09

- Improve micron of wool by 2
- Increase wool yield per animal by 25%
- Reduce annual mortality by 10%
- Widen the uses of the coarse and coloured decanni wool (Southern region) by product development and diversification.
- Increase the demand for Indian wool in domestic and international market.
CHAPTER IX

DECENTRALISED POWERLOOM SECTOR
DECENTRALISED POWERLOOM SECTOR

The decentralized Powerloom Sector plays a pivotal role in meeting the clothing needs of the country. The powerloom industry produces a wide variety of cloth, both grey as well as processed. Production of cloth as well as generation of employment has been rapidly increasing in the powerloom sector. There are 21.55 lakh powerlooms in the country as on 31st December, 2008 distributed over approximately 4.82 lakh units. The powerloom sector contributes about 62% of the total cloth production of the country, and provides employment to about 54.00 lakh persons. More than 60% of the cloth meant for export comes from the powerloom sector.

Growth in the Powerloom Sector

The estimated number of powerlooms in the decentralised sector in the country till December, 2008 was 21,58,362. The year-wise details of powerlooms set-up since 2002 (upto December 2008) is given at table 9.1.

Table 9.1

<table>
<thead>
<tr>
<th>Year</th>
<th>Powerlooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-2003</td>
<td>16,92,737</td>
</tr>
<tr>
<td>2003-2004</td>
<td>18,36,856</td>
</tr>
<tr>
<td>2004-2005</td>
<td>19,02,953</td>
</tr>
<tr>
<td>2005-2006</td>
<td>19,43,892</td>
</tr>
<tr>
<td>2006-2007</td>
<td>19,90,308</td>
</tr>
<tr>
<td>2007-2008</td>
<td>21,06,370</td>
</tr>
</tbody>
</table>

(Source: State Govts. & Uts./ Regional Office of the Textile Commissioner)

Cloth production

The details of total cloth production and production by powerloom sector during Xth and Xth Plan period are given at table 9.2.

Table 9.2

<table>
<thead>
<tr>
<th>Year</th>
<th>Total production</th>
<th>Production on Powerlooms</th>
<th>%age of Powerlooms over total Production</th>
<th>%age increase over previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total production</td>
<td>Powerlooms</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002-03</td>
<td>41973</td>
<td>25954</td>
<td>62%</td>
<td>(-) 0.15%</td>
</tr>
<tr>
<td>2003-04</td>
<td>42383</td>
<td>26947</td>
<td>64%</td>
<td>1%</td>
</tr>
<tr>
<td>2004-05</td>
<td>45378</td>
<td>28325</td>
<td>62%</td>
<td>7%</td>
</tr>
<tr>
<td>2005-06</td>
<td>49577</td>
<td>30626</td>
<td>62%</td>
<td>9%</td>
</tr>
<tr>
<td>2006-07</td>
<td>53389</td>
<td>32879</td>
<td>62%</td>
<td>8%</td>
</tr>
<tr>
<td>2007-08</td>
<td>56025</td>
<td>34725</td>
<td>62%</td>
<td>5%</td>
</tr>
<tr>
<td>2008-09 (P)</td>
<td>54966</td>
<td>33648</td>
<td>61%</td>
<td>(-) 2%</td>
</tr>
</tbody>
</table>
**Present Policy relating to installation of powerlooms**

In terms of present policy procedure in vogue, every person on installing the powerlooms should submit an information Memorandum in a prescribed form to the Textile Commissioner, Mumbai, within 30 days of installation provided that in case of installation of such machinery in the SSI sector, a copy of such information Memorandum shall also be filed to an officer notified in this behalf by the State Govt.

**Modernization & strengthening of Powerloom Service Centre**

Out of 44 PSCs, under Textile Commissioner and other agencies, 43 Powerloom Service Centres (PSCs) have been modernized with modern machines and equipments such as shuttleless looms, Automatic Cop Changing looms, Drop box looms, Pirm winders, cone winders, sectional warping machines, DG sets etc. Some of the PSCs already modernized have been further upgraded and strengthened by providing Airjet looms, Embroidery machine, Textile design software, teaching aid etc. PSC Bhiwandi - I (SASMIRA) and PSC Palladam (SITRA) also diversified their activities by way of commencing garment training activities. Out of 44 PSCs, 14 PSCs are under the Office of the Textile Commissioner, 25 PSCs are run by different TRAs, 4 PSCs under the KSPDC, Bangalore & one PSC is run by the M.P. State Powerloom Weavers Co-op. Federation.

**Performance of Powerloom Service Centres**

The achievement during 2008-09 was as under:

1. No. of Trainees - 13119
2. No. of Designs developed - 4760
3. No. of sample tested - 66728
4. Consultancy / Troubleshooting - 4621
5. Total Revenue generation - Rs.116.79 lac
6. No. of Exhibitions, Seminar & Workshops - 389

**Computer Aided Design Centers**

The following 17 Computer Aided Design Centres (CADC) have been established at Coimbatore, Karur, Komaradalayam and Somanur (Tamil Nadu), Surat and Ahmedabad (Gujrat), Solapur, Ichalakanji, Bhiwandi and Mumbai (Maharashtra), Bhilwara (Rajasthan) and Ghaziabad (Uttar Pradesh), Bangalore and Doddaballapur (Karnataka), Burhanpur and Indore (Madhya Pradesh) and Panipat (Haryana). These CADCs help the decentralised and small Powerloom units to access new designs and improve the quality of the fabric.

**Modernisation of Decentralised Powerloom Sector**

The Govt. has given a thrust for modernization of the powerloom sector. The main emphasis was on Technology Upgradation Fund Scheme (TUFS). This scheme has given an impetus to powerloom sector. The different category of looms installed under modernization during 2002-03 to 2008-09 is given at table 9.3

**Group Insurance Scheme for the Powerloom Weavers/Workers**

Government of India has launched a revised Scheme "Welfare of Powerloom workers through Group Insurance Scheme" in association with LIC from 1st July 2003.

In accordance with the XIth Five Year Plan, the scheme has been modified by merging the existing JBY Scheme and
Add-on GIS w.e.f. 1st January 2008. As per the modified Scheme, the total premium is Rs.330/- out of which, Rs.150/- is to be borne by the Office of the Textile Commissioner, Government of India and Rs.100/- is being paid by the LIC from the social security fund of Government of India. Only a premium of Rs.80/- is to be paid by the powerloom weaver for getting the benefits under the said scheme. The coverage benefit under the scheme is at table 9.4.

In addition to the above, a worker under JBY will also be entitled the educational grant of Rs.600/- per child/ per half year for two children studying in IX to XII standard under Shiksha Sahayog Yojana (SSY). Under the said schemes, 5,96,535 powerloom workers have been insured so far while GOI share of premium to the extent of Rs.503.79 lakh has been released since July 2003 to March 2009.

The progress of the Scheme from 2003-2004 upto March, 2009 is given at table 9.5.

Table 9.3

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Semi Automatic loom</td>
<td>14994</td>
<td>4732</td>
<td>3569</td>
<td>2811</td>
<td>2752</td>
<td>1521</td>
<td>278</td>
<td>30657</td>
</tr>
<tr>
<td>2</td>
<td>Automatic Loom</td>
<td>1916</td>
<td>1229</td>
<td>2055</td>
<td>2878</td>
<td>1631</td>
<td>484</td>
<td>110</td>
<td>10303</td>
</tr>
<tr>
<td>3</td>
<td>Shuttleless loom</td>
<td>3595</td>
<td>3639</td>
<td>4849</td>
<td>6367</td>
<td>5184</td>
<td>2088</td>
<td>1250</td>
<td>26972</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>20505</td>
<td>9600</td>
<td>10473</td>
<td>12056</td>
<td>9567</td>
<td>4093</td>
<td>1638</td>
<td>67932</td>
</tr>
</tbody>
</table>

Table 9.4

<table>
<thead>
<tr>
<th>Component</th>
<th>Natural Death</th>
<th>Accidental Death</th>
<th>Total Permanent Disability</th>
<th>Partial Permanent Disability</th>
</tr>
</thead>
<tbody>
<tr>
<td>GIS</td>
<td>Rs. 60,000/-</td>
<td>Rs. 1,50,000/-</td>
<td>Rs. 1,50,000/-</td>
<td>Rs. 75,000/-</td>
</tr>
</tbody>
</table>

Table 9.5

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of workers enrolled</th>
<th>GOI Share of Premium (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>JBY</td>
<td>AGIS</td>
</tr>
<tr>
<td>2003-04</td>
<td>49,498</td>
<td>10,840</td>
</tr>
<tr>
<td>2004-05</td>
<td>92,992</td>
<td>16,810</td>
</tr>
<tr>
<td>2005-06</td>
<td>77,907</td>
<td>18,489</td>
</tr>
<tr>
<td>2006-07</td>
<td>74,115</td>
<td>19,936</td>
</tr>
<tr>
<td>2007-08</td>
<td>1,06,492</td>
<td>15,445</td>
</tr>
<tr>
<td>2008-09</td>
<td>1,14,011</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>5,15,015</td>
<td>81,520</td>
</tr>
</tbody>
</table>
**Group Workshed Scheme**

The Govt. of India has introduced a Group Workshed Scheme for decentralized Powerloom Sector on 29.7.2003, under the Xth five-year plan. The scheme aims at setting up of Powerloom Parks with modern weaving machinery to enhance their competitiveness in the Global Market and the same has been modified. As per the modified Scheme, subsidy for construction of Workshed would be limited to 40% of the unit cost of construction subject to a maximum of Rs. 120/- per sq. ft. whichever is less. Ordinarily, minimum 4 weavers should form a group. Twelve modern looms single width or 6 wider width looms per person will be allowed to be installed. The maximum subsidy will be Rs.12 lakhs per person. The scheme does not envisage more than 500 looms under one project proposal. During the year 2008-09 there was an allocation of Rs. 136.50 lakh for this scheme and a subsidy amount of Rs. 136.50 lakh was released to the beneficiaries under the scheme.

**Integrated Scheme for Powerloom Cluster Development**

In order to achieve the overall development of the powerloom sector, Govt. has announced the Integrated Scheme for Powerloom Cluster Development during 2007-08 for 3 years i.e. upto 2009 - 2010. The scheme has got the following components:

1) Marketing Development programme for Powerloom Sector
2) Exposure visit of Powerloom Weavers to other Clusters
3) Survey of the Powerloom Sector
4) Powerloom Cluster Development
5) Development and Upgradation of skills (HRD)

**Performance of the Scheme**

(a) **Buyer Seller Meet**

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Meet</th>
<th>Amount released (Rs. in lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-08</td>
<td>7</td>
<td>25.50</td>
</tr>
<tr>
<td>2008-09</td>
<td>9</td>
<td>53.68</td>
</tr>
</tbody>
</table>

(b) **Exposure visit**

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Weavers</th>
<th>Amount released (Rs. in lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-08</td>
<td>301</td>
<td>6.02</td>
</tr>
<tr>
<td>2008-09</td>
<td>558</td>
<td>10.20</td>
</tr>
</tbody>
</table>

(c) **Training of Cluster Development Officers (CDOs)**

Towards the development of different powerloom clusters identified, 30 CDOs were given training in cluster development by the EDI, Ahmedabad during 2007 - 08 involving a total expenditure of Rs.15.97 lakh and during the current year Rs.4.80 lakh has been spent for refresher training of Officers from Regional Offices & Headquarters. Further, 8 clusters are being taken up for development during the current year.

**20% CREDIT LINKED CAPITAL SUBSIDY**

The Government has implemented 20% Credit Linked Capital Subsidy Scheme under the TUFS, especially in order to help the decentralized Powerloom Sector. The scheme was announced on 6.11.2003 by the Government and is applicable to Powerlooms in SSI sector only. Under the scheme, Rs.166.39 crore has been disbursed to 2320 cases since November 2003 to March 2009. Progress under 20% CLCS-TUFS for the decentralized powerloom sector is given at table 9.6.

**ALL INDIA POWERLOOM BOARD**

The All India Powerloom Board was first constituted as an Advisory Body in
Table 9.6

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Year</th>
<th>No. of units</th>
<th>Amount of subsidy released (Rs. in crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>2003-04</td>
<td>4</td>
<td>0.10</td>
</tr>
<tr>
<td>2.</td>
<td>2004-05</td>
<td>150</td>
<td>6.00</td>
</tr>
<tr>
<td>3.</td>
<td>2005-06</td>
<td>368</td>
<td>23.00</td>
</tr>
<tr>
<td>4.</td>
<td>2006-07</td>
<td>827</td>
<td>59.86</td>
</tr>
<tr>
<td>5.</td>
<td>2007-08</td>
<td>567</td>
<td>44.95</td>
</tr>
<tr>
<td>6.</td>
<td>2008-09</td>
<td>404</td>
<td>32.48</td>
</tr>
</tbody>
</table>

November 1981 and since then GOI have reconstituted AIPB from time to time. The Govt. of India has re-constituted the AIPB for a period of 2 years vide office memorandum No.8/8/2007-PL dated 15th March, 2007. The last meeting of the AIPB was held at Mumbai on 16.1.2008 under the Chairmanship of the Hon'ble Union Minister of Textiles. It has representatives of the Central and State Governments, Powerloom Federations / Associations of Powerloom Industry as its member and is headed by the Union Minister of Textiles as the Chairman.

**Powerloom Development Export Promotion Council (PDEXCIL)**

**PDEXCIL** was constituted on 8th September, 1995 to give thrust to the development of the powerloom sector, and to promote export of fabrics made on powerlooms.

**PDEXCIL** makes recommendations to the Government on matters concerning the development of the Powerloom sector to increase its competitiveness in the international market. There are more than 2000 members of the Council.
CHAPTER X

HANDLOOMS
CHAPTER X

HANDLOOMS

The handloom sector plays an important role in the country's economy. It is one of the largest economic activities after agriculture. This sector today, with about 35 lakh looms, provides employment to 65 lakh persons out of which about 60.6% are women and about 36% belong to scheduled castes and scheduled tribes. The traditional handloom weaving in India has been kept alive by those professionally skilled weavers household, which inextricably is linked with the age-old tradition of weaving. However, the sector is beset with various problems, such as obsolete technology, unorganized production system, low productivity, inadequate working capital, conventional product range, weak marketing links, overall stagnation of production and sales and above all, competition from powerlooms and mill sector.

The rise in yarn prices have always been causing considerable hardship to the weavers all over the country as, yarn being a free market commodity, its prices are governed by laws of demand and supply. The Government of India has been initiating effective measures to bring down yarn prices and to ensure steady supply. To ensure steady availability of yarn, a statutory obligation has been imposed on the spinning mills to pack not less than 40% of their total marketable yarn in the form of hanks. There are further stipulations that atleast 80% of such yarn packed should be in the counts of 40s and below.

While the Government's endeavor is to create conditions for the harmonious growth of the entire textile industry, at the same time it would also like to ensure that there is a well defined and delineated area for handlooms, which is not unduly encroached by the powerlooms and mills. This is achieved by effective implementation of the Handloom Reservation Order.

In order to increase production of such fabrics on handloom, which have unique characteristics with sophisticated designs and finish, innovations and improvisation is necessary. Unless the base is sustained and strengthened, its quintessential products cannot be augmented. To cater to the needs of training and extension, research and development, Government of India has set up 25 Weavers' Service Centres and 5 Indian Institutes of Handloom Technology. These Centres are involved in the areas of product/design development, modernization of looms and accessories, improvement in techniques of weaving and associated activities, training and upgradation of skills besides providing consultancy services to the State Handloom agencies.

Apart from the above measures, a large number of other developmental and welfare measures have also been initiated by the Government of India resultant to which the declining trend in production in the handloom sector had been arrested. Production in the handloom sector recorded a figure of 6947 million sq. meters in the year 2007-08, which is about 26.47% over the production figure of 5493 million sq. meters recorded in the year 2003-04. During 2008-09, production in the handloom sector is reported to be 6,677 million sq. meters.
ONGOING SCHEMES AND PROGRAMMES

A. INTEGRATED HANDLOOMS DEVELOPMENT SCHEME

The centrally sponsored Integrated Handloom Development Scheme (IHDS) envisages taking care of all the needs of the weavers in a cluster in an integrated and coordinated manner. The scheme aims to focus on formation of weavers group as a visible entity, develop the Handlooms Weavers Groups to become self-sustainable, inclusive approach to cover weavers both within and outside the Cooperative fold, skill up-gradation of handlooms weavers/workers to produce diversified products with improved quality to meet the market requirements, provide suitable workplace to weavers to enable them to produce quality products with improved productivity etc.

Under the scheme, clusters, each covering 300-500 looms are taken up for development in a time frame of 3 years at an upper cost of Rs.60.00 lakh per cluster. Handloom weavers, who are not covered by the clusters, are supported through a 'Group Approach", which will be implemented in a project mode. A Group, consisting of 10 weavers or more, is provided financial assistance for (i) Basic inputs; (ii) Training in weaving, dyeing, designing and managerial disciplines; and (iii) Construction of Work-sheds.

During the year 2008-09, the entire budget of Rs. 108.98 crore was utilized. Financial assistance was released to various State Governments/UTs, Weavers Service Centres (WSCs) etc. towards Cluster Development, Group Approach, Marketing Incentive, past liabilities under the Deen Dayal Hathkargha Prasharan Yojana (DDHPY), Workshed-cum-Housing Scheme, Integrated Handlooms Training Project (IHTP), Integrated Handlooms Cluster Development Scheme (IHCDS), etc. Against the target of 100 clusters for the year, 131 clusters were sanctioned and a sum of Rs.19.70 crore was released.

Under Group Approach, 548 projects were sanctioned to various State Governments/UTs and a sum of Rs.26.08 crore was released.

Hank Yarn Package Notification

Handloom sector is largely dependent on the organized mill sector for supply of its principal raw material i.e. yarn. This sector uses the bulk of its yarn in the form of hanks. The Central Government ensures regular supply of the yarn to the handloom sector by enforcing the order (Hank Yarn Packing Notification), which makes it obligatory on the spinning mills to pack a prescribed percentage of the yarn produced by them in the hank form.

MILL GATE PRICE SCHEME (MGPS)

This scheme was introduced during 1992-93 with the objective of providing all types of yarn to the handloom weavers' organizations at the price at which it is available at the Mill Gate. Under the Scheme, the Government of India reimburses the transportation expenses involved in the supply of the yarn. National Handloom Development Corporation (NHDC), a Government of India Undertaking, is the nodal agency for implementation of the scheme. The scheme has been continued during the XIth Five year Plan. The agencies, which shall be eligible to avail benefit of the scheme are as under:

- All Handloom organizations of National/State/Regional/Primary level.
- Handloom Development Centres.
- Handloom producers/exporters/ manufacturers registered with HEPC/
any other export promotion council under Ministry of Textiles/Director of Industries/Handlooms of the State/ U.T.

- All approved export houses/trading houses/star trading houses producing handloom items.
- Members of recognized/approved handloom associations.
- NGOs fulfilling CAPART norms.
- Any other agency approved by the Office of the Development Commissioner (Handlooms), Ministry of Textiles, Government of India.

All types of yarn required for production of handloom items are covered under the scheme. The NHDC arranges transportation of requisite yarn from the mills to the godown of the user agencies as per their requirement. Yarn is also supplied to individual weaver through depots approved by the NHDC. 536 yarn depots have been made operational throughout the country till 31.03.2009.

Under the Mill Gate Price Scheme, following assistance is provided:-

(i) Freight reimbursement for transportation of yarn.
(ii) Expenses for operating the yarn depot @ 2.5%, based on actuals.
(iii) Service Charges to the NHDC.

The expenses incurred towards Freight for transportation of yarn and operating the yarn depot are initially paid by the NHDC to the eligible agencies and is subsequently reimbursed to the NHDC by the Government of India.

The maximum rate of freight reimbursement admissible under the MGPS to the NHDC for supply of yarn is given at table 10.1.

The scheme also provides assistance for supply of yarn to the weavers in the remote areas through mobile vans for 20 days in a month. Reimbursement on running the mobile vans is @Rs.1500/- per day or as per actual, whichever is less.

Supply of yarn by the National Handloom Development Commissioner (NHDC) under the Mill Gate Price Scheme tripled and registered a figure of 678.21 lakh kgs. valued at Rs.563.05 crore in the year 2007-08 as compared to the figure of 220.86 lakh kgs valued at Rs.228.16 crore registered during the year 2005-06. During the year 2008-09, 855.05 lakh kgs yarn valued at Rs. 793.40 crore has been supplied by the NHDC under the scheme. The details of yarn supplied by the NHDC under the scheme during the last three years are given at table 10.2.

<table>
<thead>
<tr>
<th>Year</th>
<th>Yarn supply</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Qty (in lakh kgs.)</td>
</tr>
<tr>
<td>2005-06</td>
<td>220.86</td>
</tr>
<tr>
<td>2006-07</td>
<td>437.21</td>
</tr>
<tr>
<td>2007-08</td>
<td>678.21</td>
</tr>
<tr>
<td>2008-09</td>
<td>855.05</td>
</tr>
</tbody>
</table>

The details of yarn supplied by the NHDC under the scheme during the last three years are given at table 10.2.

<table>
<thead>
<tr>
<th>Item</th>
<th>Plain area</th>
<th>Hills/remote Area</th>
<th>NE Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yarn Other than Silk/Jute</td>
<td>1.00%</td>
<td>1.75%</td>
<td>3.00%</td>
</tr>
<tr>
<td>Silk Yarn</td>
<td>1.00%</td>
<td>1.25%</td>
<td>1.50%</td>
</tr>
<tr>
<td>Jute/Jute blended yarn</td>
<td>7.00%</td>
<td>8.00%</td>
<td>8.50%</td>
</tr>
</tbody>
</table>
DIVERSIFIED HANDLOOM DEVELOPMENT SCHEME (DHDS)

The Central Sector Diversified Handloom Development Scheme aims at upgrading the skills of the handloom weavers through organization of workshops and exhibitions, design development, documentation of traditional designs and providing linkage and meeting the market requirements. This scheme includes components such as Strengthening of Weavers Service Centres/Indian Institutes of Handloom Technology, Setting up of New WSCs/IIHTs, National Centre for Textile Design (NCTD), Research & Development (R&D), Conducting Third Census and issue of Identity Cards to Handloom Weavers. Against the approved outlay of Rs. 20.00 crore, including Rs. 5.00 crore for the NER, a sum of Rs. 16.00 crore has been incurred during 2008-09.

The component wise progress are reviewed in following paragraphs -

Third Handlooms Census and issue of Identity Cards to Handlooms Weavers

The "Third National Census of Handlooms and issue of Photo identity cards (PIC) to all the eligible weavers" has been entrusted to the National Council of Applied Economic Research (NCAER), New Delhi on 19.3.08, through open competitive bidding process. The project is scheduled to be completed within a period of 18 months of award of work. The total cost of the project is Rs.20.36 crore. The project involves collection of information from about 22.5 lakh weaver households over 70,000 Villages/Urban blocks covering almost all the Districts in the country. Issue of Identity Cards to the Handlooms weavers will ensure that only genuine weavers get benefits of the schemes that are being implemented by the Office of Development Commissioner for Handlooms for their sustenance growth and development, in a hassle free manner. During the year 2007-08, Rs.4.42 crore had been released to NCAER. A sum of Rs. 10.85 crore has been released during 2008-09. Census work has already commenced in 20 States.

Weavers' Service Centres (WSCs)

At present, there are twenty-five Weavers' Service Centres (WSCs) located at various parts of the country. They play a vital role in imparting training to weavers, upgrading the skill and productivity of weavers. WSCs also render extension services, which involve transfer of design inputs, skills and technology to weavers. During the year 2007-08, a sum of Rs.1544.49 lakh (under Non-Plan) and Rs.33.44 lakh (under Plan) had been incurred against the Budget of Rs.1.544.49 lakh (under Non-Plan) and Rs.33.44 lakh (under Plan) respectively allocated under RE.

Indian Institutes of Handloom Technology (IIHTs)

The Indian Institutes of Handloom Technology (IIHTs) provide qualified and trained manpower to the Handloom Sector and undertake experimental and research programmes on all aspects of the handloom industry. There are five IIHTs, one each at Varanasi, Salem, Guwahati, Jodhpur and Bargarh in the Central Sector. In order to cater to the growing needs of the handloom sector, provision has been made in the XIth plan for opening new IIHTs.

Setting up of new IIHT at Bargarh, Orissa

The Indian Institute of Handloom Technology (IIHT) at Bargarh (Orissa), had been set up in 2008 in pursuance of Hon'ble Prime Minister's announcement in August 2006. It has already started functioning at Panchayat College, Bargarh during the current session. The foundation stone of its own building had been laid by the Union Minister for Textiles on 17.11.08.
Every year, 255 students are offered three years Diploma Course in Handloom Technology and 28 students in the Post Diploma Course in Textiles Chemistry by the IIHTs set up under the Central Sector. Besides, three IIHTs presently functioning at Venkatagiri (Andhra Pradesh), Gadag (Karnataka) and Champa (Chhatisgarh) have been set up under the State Sector.

During 2008-09, an amount of Rs.332.29 lakh was incurred by IIHTs Guwahati, Varanasi and Salem, against the budget provision of Rs.337.24 lakh under Non-Plan and a sum of Rs.54.44 lakh was incurred by IIHT, Jodhpur against the budget provision of Rs.58.00 lakh under the Plan Head.

The Foundation Stone of Fifth Indian Institute of Handloom Technology Bargarh, Orissa was laid by Shri Shankersinh Vaghela, Minister of Textiles on 17th November, 2008

National Centre for Textile Design (NCTD)

National Centre for Textile Design was set up in January 2001 at Handlooms Pavilion, Pragati Maidan, New Delhi to promote traditional and contemporary designs to enable the Textile Industry, particularly the Handloom Sector, to be responsive to the rapidly changing market demands. The activities of the NCTD are as follows:

- **On-line Activities:** Include dissemination of information related to textile designs through its website www.designdiary.nic.in. The site provides information relating to national and international design trends and colour forecast, design pool, and cyber yellow pages, panel of textile designers and linkages to other textiles related sites.

- NCTD uploads various designs and layouts developed by the professional designers of the Weavers’ Service Centres, based on the themes, and
makes them available to users and subscribers.

- **Off-line Activities:** Include holding of special exhibitions on sustained basis for product exposure and awareness about handloom products among the public.

The NCTD holds specialised exhibitions under the title ("TANTAVI", a Sanskrit word), meaning "of the loom", which is also the registered trademark of NCTD. It also develops fabric samples to suit the local and export market and makes them available to the manufacturers and exporters. NCTD developed theme based fabric samples in three-dimensional forms, and displayed them in the exhibitions, which drew due attention of the national level manufacturers and exporters. So far, Tantavi exhibitions on three themes - "Structured fabrics", "Patterned Fabrics" and "Coloured Structures & Patterns Fabrics" have been organised.

The fourth in the series of Tantavi exhibition, Brocade Textiles, was organised at 7 metropolitan cities in 2008-09. In the second phase, the exhibition has been planned in 7 non-metropolitan cities in 2009-10.

The fifth theme in the series of "Tantavi" is based on "Silken". Preparation of paper designs by Designers of Weavers Service Centres and also development of prototype samples of selected designs are under process.

Other than mounting Tantavi, NCTD also participated in the following exhibitions in 2008-09:


**HANDLOOM WEAVERS COMPREHENSIVE WELFARE SCHEME**

During the 2005-06 and 2006-07 the Government of India was implementing two separate schemes namely the 'Health Insurance Scheme' for providing health care facilities to the handlooms weavers in the country and the 'Mahatma Gandhi Bunkar Bima Yojana' for providing Life Insurance Cover to the handloom weavers in case of natural / accidental death, total / partial disability due to accident. During the 11th plan, both schemes have been amalgamated into one scheme namely Handloom Weavers' Comprehensive Welfare Scheme. The details of the scheme are as under.

**(i) The Health Insurance Scheme**

The Health Insurance Scheme is implemented through the ICICI Lombard General Insurance Company Ltd. The total premium under the scheme for 2007-08 and 2008-09 has been reduced to Rs. 781.60/- (including Service Tax) from Rs. 1000/- + Service Tax as existed during the 10th plan. The revised funding pattern is as under:-

**FUNDING PATTERN**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Contribution by the Govt. of India</td>
<td>Rs. 642.47/- per annum (Inclusive of service tax of Rs. 85.97)</td>
</tr>
<tr>
<td>ii. Contribution by the Handloom weavers/state Govt.</td>
<td>Rs. 139.13/- per annum</td>
</tr>
<tr>
<td>iii. Total Premium (Including Service Tax)</td>
<td>Rs. 781.60/- per annum</td>
</tr>
</tbody>
</table>

The scheme envisages covering (a) not only the weaver but also his wife and two
children (b) all pre-existing diseases as well as new diseases and (c) substantial provision for OPD. The ancillary handlooms workers like those engaged in warping, winding, dyeing, printing, finishing, sizing, Jhala making, jacquard cutting etc. are also eligible to be covered. The annual limit per family is Rs. 15,000/- out of which OPD cover is Rs. 7500.00

During the year 2007-08, a sum of Rs 102.60 crore, as provided under the Revised Estimates, was released to the ICICI Lombard as Central share of premium. The coverage of weavers under the scheme during the year 2007-08 was 17.74 lakh.

The Budget provision (as per R.E.) for the year 2008-09 under the Health Insurance Scheme was Rs. 120.82 crore and it was released to the ICICI Lombard General Insurance Company Ltd. towards Central Government share of premium. 18.78 lakh weavers including those from the North Eastern Region were covered during 2008-09.

(ii) Mahatma Gandhi Bunkar Bima Yojana

The Mahatma Gandhi Bunkar Bima Yojana is being implemented through the Life Insurance Corporation of India. The funding pattern under the scheme is as under:

The annual premium of Rs. 330/- per member will be shared as given at table 10.3.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Benefits during the 10th plan</th>
<th>Benefits from 1.10.07</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i)</td>
<td>Natural Death</td>
<td>Rs. 50,000/-</td>
</tr>
<tr>
<td>(ii)</td>
<td>Accidental Death</td>
<td>Rs. 80,000/-</td>
</tr>
<tr>
<td>(iii)</td>
<td>Total Disability</td>
<td>Rs. 50,000/-</td>
</tr>
<tr>
<td>(iv)</td>
<td>Partial Disability</td>
<td>Rs. 25,000/-</td>
</tr>
</tbody>
</table>

During the 11th plan, the benefits available under the Mahatma Gandhi Bunkar Bima Yojana have been substantially increased as compared to 10th plan. The details of comparative benefits are given at table 10.4.

In addition to the above, under the Mahatma Gandhi Bunkar Bima Yojana, a scholarship of Rs.300/- per quarter per child is given to the students studying in standard IX to XII for a maximum period of four years or till they complete XII standard, whichever event occurs earlier. The benefit is restricted to two children of the member covered.

During the year 2007-08, against the Revised Estimates of Rs. 13.00 crore, an amount of Rs. 12.98 crore was spent, 4.66 lakh weavers were covered during 2007-08. The entire budget of Rs. 3.10 crore provided for the scheme during the year 2008-09 had been utilised. 5.75 lakh weavers had been covered during the financial year 2008-09 under the scheme.

MARKETING & EXPORT PROMOTION SCHEME

The Marketing & Export Promotion
Scheme is the amalgamation of the Marketing Promotion Programme and Handloom Export Scheme with some modifications and additions. It is being implemented during the 11th Plan as a Centrally Sponsored Plan Scheme with the following two components:

1. Marketing Promotion.
2. Handloom Export Promotion.

**Marketing Promotion**

The Marketing Promotion envisages a wide gamut of activities for the promotion and marketing of handlooms. The Office of Development Commissioner for Handlooms assist the State Governments / implementing agencies in undertaking the following activities:

- Organisation of Exhibitions, Events and Craft Melas
- Setting up of Urban Haats
- Setting up of Marketing Complexes
- Publicity and Awareness
- Geographical Indication Act
- Handloom Marketing Complex, Janpath, New Delhi
- Handloom Mark

During the year 2007-08, 13 National Handloom Expos, 47 Special Handloom Expos, 246 District Level Events and 7 Crafts Melas were organized, besides promotion of Handloom Mark through publicity.

During the year 2008-09 under the Marketing and Export Promotion Scheme, 17 National Handloom Expos, 74 Special Expos, 301 district level events, 7 Craft Melas were approved and sanction to set up one Urban Haat was also accorded.

**Geographical Indications of Goods (Registration and Protection) Act, 1999**

Measures have been initiated for protection of handloom items like Varanasi brocades, Jamdani of Bengal etc., under the Geographical Indications of Goods (Registration and Protection) Act, 1999. During the year 2007-08, financial assistance had been provided for registering 20 items (Andhra Pradesh - 4 items, Orissa - 8 items, West Bengal - 8 items) under the Act.

During the year 2008-09, financial assistance has been provided for registering 12 items under the Act (Karnataka-02, Gujarat-02, Madhya Pradesh-01, U.P.-02 and Kerala-05).

**Handloom Marketing Complex, Janpath, New Delhi**

A world class Handloom Marketing Complex is proposed to be set at Janpath, New Delhi to provide infrastructure support to handloom agencies with a view to create permanent marketing outlets that will enable handloom agencies to augment their sales. This handloom marketing complex will showcase the exquisite varieties of handloom produced all over the country by the adept weavers and will also act as a forum for the promotion of handloom products in the domestic as well as international market.

**Handloom Export Promotion**

The objective of the Handloom Export Promotion component of the scheme is to assist the handloom cooperative societies & corporations in developing exportable products and assist handloom agencies in publicity and international marketing of their products through publicity related activities and participation in International Exhibitions, Buyer-Seller Meets etc. and to make available to the exporters the latest international designs, colour forecasts, trends etc. Assistance is given under this component for the following:

i. Export Project
ii. International Fairs & Exhibitions

iii. Setting up of Design Studios

iv. Miscellaneous promotional events / activities.

During the year 2008-09, 14 Export Projects had been sanctioned and handloom agencies of various states had participated in 09 international fairs and exhibition to publicize their handloom products and to get proper feedback on the global market trend.

Under the Marketing and Export Promotion Scheme during the year 2007-08, a sum of Rs 23.43 crores was released and out of the budget provision of Rs. 50.00 crore during the year 2008-09, a sum of Rs.45.00 crore was released.

**Handloom Mark**

The Handloom Mark, launched by Dr. Manmohan Singh, Hon'ble Prime Minister of India on 28th June 2006 has been a huge success.

The Handloom Mark serves as a guarantee about genuineness and provides a distinct identity to the handloom products, both in India and abroad. The Textiles Committee is the Implementing Agency for Handloom Mark. Individual weavers, master weavers, handloom cooperative societies, handloom corporations, retailers and exporters are the intended beneficiaries under the programme.

As on 31.03.2009, 114.75 lakh handloom mark labels have been sold to 4968 stakeholders. 689 handloom showrooms are selling handloom products bearing handloom mark labels.

**IMPLEMENTATION OF HANDLOOMS (RESERVATION OF ARTICLES FOR PRODUCTION) Act, 1985**

The Handlooms (Reservation of Articles for Production) Act, 1985 aims at protecting millions of handloom weavers and rich cultural heritage of India from the encroachment by the powerlooms and mill sector. At present, (as per latest amendment vide No. S.O. 2160 dated 3.9.2008) eleven categories of textile articles are reserved under the Act. The physical progress of powerloom inspections by various implementing agencies as on 31.03.2009 are given at table 10.5.

**Re-introduction of Scheme for reimbursement of one time rebate @ 10% given on sale of handloom products by the handloom agencies during 2006-07, 2007-08 and 2008-09.**

One of the problems that has been confronting the decentralized and labour intensive handloom industry is Marketing

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<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Targets for Powerloom Inspections</td>
<td>1,64,250</td>
<td>1,82,280</td>
<td>1,91,387</td>
<td>2,00,949</td>
<td>2,09,290</td>
<td>2,15,575</td>
</tr>
<tr>
<td>2.</td>
<td>No. of Powerlooms Inspected</td>
<td>1,79,683</td>
<td>1,88,588</td>
<td>2,14,062</td>
<td>2,15,245</td>
<td>2,49,462</td>
<td>2,37,111</td>
</tr>
<tr>
<td>3.</td>
<td>No. of FIRs. Lodged</td>
<td>13</td>
<td>10</td>
<td>33</td>
<td>37</td>
<td>12</td>
<td>5</td>
</tr>
<tr>
<td>4.</td>
<td>Convictions</td>
<td>15</td>
<td>7</td>
<td>10</td>
<td>9</td>
<td>11</td>
<td>3</td>
</tr>
<tr>
<td>5.</td>
<td>Cases in pipeline</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>60</td>
</tr>
</tbody>
</table>
of the products of the weavers. The handloom weavers are totally dependent on the handloom agencies and the private traders for marketing of their products. Coupled with this is the stiff competition the industry has to face with the organized textile sectors like mill and the powerloom. The governments interventions in the form of support schemes have, therefore, been helping the handloom organizations to market the products of the handloom weavers and their sustenance in the sector.

In order to augment marketing of handloom products, the Government of India re-introduced, the 10% Rebate Scheme from the year 2006-07 for a period of three years. The scheme was fully funded by the Government of India with a total budgetary provision of Rs.100 crore. Implementation of this Scheme helped the handloom sector to market handloom products worth over Rs.1000 crore.

The main objective of the Scheme was to provide marketing support to the National level handloom organizations/agencies like (i) National Handloom Development Corporation (NHDC), (ii) All India Handloom Fabrics Marketing Cooperative Society (AIHFMCS), (iii) Handicrafts and Handlooms Export Corporation (HHEC), along with State level organizations like (i) State Handloom Corporations/State Apex Cooperative Societies/Handloom Federations/Regional Handloom organizations and (ii) Primary Handloom Weavers Cooperative Societies etc. by way of reimbursement of 10% rebate on sale of handloom cloth generated by them through their emporia and other sales outlets and/or by organizing/participating in special fairs, exhibitions, participating in National/Special Handloom Expos, District Level events etc. This would supplement their ongoing marketing efforts thereby creating scope for keeping the production cycle alive and sustain thereby the existing employment of handloom weavers.

In addition, sales generated at all the National Level Handloom Expos/Special Handloom Expos/District Level Events/Crafts Melas etc. approved by the Development Commissioner for Handlooms shall also qualify for reimbursement of special rebate @ 10% of the value of handloom goods sold. The State Government and UTs shall have the option to extend the benefit of this Scheme for a period not exceeding a total of seven days for any one identified important festival/occasion other than the festivals mentioned in the calendar of festivals, after taking approval from the Development Commissioner for Handlooms.

During the financial year 2007-08, assistance to the tune of Rs 40.00 crore was released under the scheme to as many as 14 states and one National level organization, which helped in liquidating handloom products worth Rs. 400.00 crore. During 2008-09, a sum of Rs. 53.32 crore has been released out of the Revised Estimate of Rs 54.40 crore.

**Association of Corporations and Apex Societies (ACASH)**

The Association of Corporations and Apex Societies of Handlooms (ACASH) is a National level Apex Organization of the National level, State level Development Corporations and Apex Handloom Weavers Cooperative Societies. ACASH was registered in June 1984 as a society under the Societies Registration Act 1860 to coordinate and promote marketing in the Handloom Sector. Government of India has appointed ACASH as a nodal agency for supply of handloom goods to be purchased by Central Government Departments/Agencies/Public Sector Undertakings under Single Tender System (STS). The National and State level Handloom Corporations and Apex Societies whose names were notified by the Office of the Development Commissioner for Handlooms, Ministry of
Textiles for production and supply of handloom goods through ACASH, are members of ACASH, who help in Supply of handloom items to Central Govt. Ministries/Depts./PSUs under Single Tender System:

During the year 2007-08, ACASH had received orders worth Rs.1935.63 lakhs and executed orders worth Rs.1917.49 lakhs. During 2008-09, ACASH had received orders worth Rs. 3290.78 lakhs and executed orders worth Rs. 2709.05 lakh under Single Tender System.

**Handloom Expos/Exhibitions**

During the year 2008-09, ACASH had organized 7 exhibitions:

a) Home Furnishing : 29th August to 15th Sept., 2008

b) India Weave 2008 : 7th to 20th October, 2008

c) Handlooms' 2008 : 14th to 27th November, 2008

d) Shawl Show 2008 : 7th to 22nd December, 2008

e) Silk of India 2009 : 10th to 25th January, 2009

f) Sarees of India 2009 : 7th to 22nd February, 2008

g) Cotton of India 2009 : 1st to 15th March, 2009

**All India Handloom Fabrics Marketing Cooperative Society Ltd. (AIHFMCs)**

The All India Handloom Fabrics Marketing Co-operative Society Ltd., New Delhi was established in the year 1955 with the twin objectives of developing Inter-State and International Trade for handloom fabrics produced by the handloom weavers of the country. The Society is a National Level Co-operative Society presently governed under the Multi-State Co-operative Societies Act, 2002 and comes under the jurisdiction of the Central Registrar of Co-operative Societies, New Delhi.

The membership of Fabrics Society consists of State/Regional Level Apex Handloom Weavers’ Co-operative Societies (‘A’ Class), Primary Level Handloom Weavers’ Co-operative Societies (‘B’ Class) and Public Trusts, State Governments, Government owned/controlled organizations and such class or classes or association of persons as permitted by Central Registrar under the provision of Multi Cooperative Societies Act 2002 (‘C’ Class). During the year under review, the Society had a total of 1109 members comprising 23 (‘A’ Class), 1053 (‘B’ Class) and 33 (‘C’ Class) members. The Society had a paid-up share capital of Rs.7,67,11,500/- consisting of 141855 shares as on 31.3.2008 in comparison to the paid-up share capital of Rs.7,75,67,000/-, consisting of 1,43,566 shares as on 31.3.2007.

The main objective of the Society is to organize and develop markets for handloom goods both within the country and abroad. To achieve this objective, the Society has set up a chain of retail showrooms known as "Handloom House" at various places in the country. During the year under review, there were 23 such Handloom Houses in Ahmedabad, Bangalore, Chandigarh, Chennai, Coimbatore, Ernakulam, Ghazipur, Gorakhpur, Gurgaon, Hyderabad, Jaipur, Kolkata (3 showrooms), Lucknow, Madurai, New Delhi, Ranchi, Surat, Thiruvananthapuram, Thrissur, Varanasi and Visakhapatnam.

The Society has its Export Houses at Chennai, NOIDA and Karur. The Society has also got its branches at Singapore and Mauritius giving an impetus to marketing of Indian Handlooms in the foreign markets.
During the year 2007-08, the Society's sales turn-over was Rs. 3357.77 lakh including domestic sales of Rs. 2226.47. The Society's exports during the year 2007-08 were of the order of Rs. 1131.30 lakh as against the figure of Rs. 1579.72 lakh in the previous year. The Society reportedly has recorded a net profit of Rs.5.92 lakh during the year 2007-08. The Society has been working in profits consecutively for the last 48 years.

**NATIONAL HANDICRAFTS & HANDLOOMS MUSEUM (NHHM)**

The National Handicrafts and Handlooms Museum also popularly known as Crafts Museum is located at Pragati Maidan, New Delhi. It is a sub-ordinate office under the Development Commissioner for Handlooms, Ministry of Textiles. Its main objectives are to increase public awareness about the India's ancient traditions of handicrafts and handlooms, provide an interactive forum for the crafts persons, designers, exporters, scholars and public and help the crafts persons to find a platform for marketing without middlemen and to serve as a resource center for the Indian handicraft and handloom traditions. Collection, conservation and preservation of crafts specimen, revival, reproduction and development of Art and Craft are the basic activities of the Museum.

**Museum Collection**

The Museum has a collection of over 32,000 artifacts consisting of Metal Icon, Lamps, Incense Burners, Ritual accessories, items of everyday life, Wood carvings, Painted wood and Paper Mache, Dolls, Toys, Puppets, Masks, Folk and tribal paintings and sculptures, Terracotta, Folk & Tribal jewellery and an entire section of traditional Indian textiles. They are exhibited in Folk and tribal Art Gallery, Temple gallery, Courtly Crafts Gallery and Textile Gallery and the rest are kept in Museum Collection store. The Art Purchase Committee of NHHM meets every year to screen proposals received from across the country to sell artifacts for the Museum.

**HANDLOOM EXPORT PROMOTION COUNCIL**

The Handloom Export Promotion Council was set up in the year 1965 with prime objective of promoting exports of Hand-woven products of cotton as well as silk and readymade garments. With the increase in the quantum of exports, the Council at present caters to the exporters of cotton handloom fabrics and made-ups, lungies and Real Madras Handkerchiefs and other items made from cotton handloom fabrics.

The Council has its head office at Chennai and its Regional Office at New Delhi. A Committee consisting of elected representatives from the trade and Government governs the Council.

The Council, which started in 1965 with only 96 members, has grown over the years to cover the entire country with a membership of about 1550 members.

With the efforts of the Council, from a mere Rs.11 crores in 1965-66, the exports of Cotton handloom fabrics and made-ups had grown to Rs. 2633.26 crores in 2002-2003.

Nearly 7000 million meters of cloth is produced annually by the Industry of which 10% to 15% is exported to over 100 countries. Two-thirds of our exports are to the European Union and U.S.A.

The following are the activities of the Council:

- Dissemination of trade information and intelligence to the member exporters.
Publicity abroad for Indian Handloom products.
Facilitating product diversification and adaptation to meet modern market requirements.
Providing impetus to modernization of handlooms for the export market.
Provision of design inputs to promote exports of handloom products.
Organizing business missions/buyer seller meets and participation in trade fairs abroad.
Consultancy and guidance services for handloom exporters.
Liaison with the Government of India on all procedural and policy matters relevant to the handloom export trade.
Dealing with trade complaints pertaining to handloom exports.
Liaison with import promotion and commercial agencies abroad for the benefit of handloom exporters.

**Release of Handloom Atlas of India**

HEPC has brought out a publicity literature titled “Handloom Atlas of India” covering the entire textile scenario in general and handlooms in particular providing details such as product specifications, centers of relevance, Country’s export potential, cluster-wise product ranges, manufacturers and exporters details with cartographic representation to enlighten the importers about the Indian Handwovens and their USPs such as natural fibre based, eco-friendliness and socio economic causes associated with it etc. The Atlas was brought out in four foreign languages viz. English, German, French and Japanese. This Atlas was released by Shri Shankersinh Vaghela, Hon’ble Minister of Textiles at Chennai on 2nd February, 2009.

**Handloom Export Zone (HEZ)**

In order to create a supply hub for the manufacture of identified export products, HEPC has conceived a novel project of its kind with a market linkage known as "Handloom Export Zone", which is currently under implementation at Nagercoil, Kancheepuram district, Thiruvannamalai, Virudhunagar and Thiruvalluvar district in Tamilnadu to meet out the following objectives:

- Create a supply hub for manufacturing identified export products (focus product)
- Provide quality products by imparting training on quality aspects and by supplying accessories for quality control
- Increase the wage earning capacity of weavers by increasing productivity by way of loom, pre loom up gradation
- Improve the work environment by providing basic amenities like toilet, water facilities etc.
- Establishing market linkage with merchant exporters.

**Setting up of Design Studio**

HEPC has prepared a project proposal for setting up of Design Studios at Kannur (Kerala), Erode (Tamilnadu) & Hyderabad (Andhra Pradesh) under MAI Scheme. The total cost of the project at 3 centers is Rs.1.98 crores, of which Rs.1.35 crores is grant from Ministry. The Design Studio at Kannur was commissioned on 20-11-2008. The Design Studios at Erode and Hyderabad are expected to be commissioned shortly.

**Export Promotion Activities**

The Export Promotion activities undertaken by HEPC during the year 2008-09 are given at table 10.6.
ministry of textiles

Table 10.6
Participation in Exhibitions organized by HEPC in abroad

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the fair</th>
<th>Date</th>
<th>No. of participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hong Kong Houseware fair, Hong Kong</td>
<td>21st-24th April, 2008</td>
<td>22</td>
</tr>
<tr>
<td>2</td>
<td>EVTEKS fair, Istanbul, Turkey</td>
<td>21st-25th May, 2008</td>
<td>12</td>
</tr>
<tr>
<td>3</td>
<td>Global Home Textiles, Las Vegas, U.S.A</td>
<td>6th-8th May, 2008</td>
<td>7</td>
</tr>
<tr>
<td>4</td>
<td>Domotex Middle East, Dubai, U.A.E</td>
<td>25th-27th May, 2008</td>
<td>6</td>
</tr>
<tr>
<td>5</td>
<td>House and Gift Fair, Sao Paulo, Brazil</td>
<td>16th-19th Aug., 2008</td>
<td>18</td>
</tr>
<tr>
<td>6</td>
<td>Heimtextile fair, Frankfurt, Germany</td>
<td>14th-17th Jan., 2009</td>
<td>29</td>
</tr>
<tr>
<td>7</td>
<td>Domotex fair, Hannover, Germany</td>
<td>17th-20th Jan., 2009</td>
<td>27</td>
</tr>
</tbody>
</table>

Participation in Exhibitions organized by HEPC in India

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the fair</th>
<th>Date</th>
<th>No. of participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Heimtextil India, Mumbai</td>
<td>10th-12th Oct., 2008</td>
<td>17</td>
</tr>
<tr>
<td>2</td>
<td>Indian Handicrafts and Gift Fair - Autumn, G. Noida</td>
<td>15th-18th Oct., 2008</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>Indian Houseware and Gift Fair - Pragati Maidan</td>
<td>15th-18th Oct., 2008</td>
<td>21</td>
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<tr>
<td>4</td>
<td>Indian Handicrafts and Gift Fair - Spring, G. Noida</td>
<td>25th-28th Feb., 2009</td>
<td>7</td>
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<tr>
<td>5</td>
<td>Texstyles India, New Delhi</td>
<td>1st-3rd March, 2009</td>
<td>47</td>
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</table>

Workshops/Seminars organized by HEPC

In order to create awareness among the weaving/exporting community of handloom products about various aspects involved in export trade, the Council has organized Workshops/Seminars in the following places:
- Thiruvannamalai (Tamilnadu)
- Cuddalore (Tamilnadu)
- Karur (Tamilnadu)
- Bijnor (Uttar Pradesh)
- Katwa (West Bengal)
- Barabanki (Uttar Pradesh)
- Bijoy Nagar (Assam)
- Chanderi (Madhya Pradesh)
- Kullu (Himachal Pradesh)
- Kolkata (West Bengal)
CHAPTER XI

HANDICRAFTS
CHAPTER XI

HANDICRAFTS

The Handicrafts Sector plays a significant & important role in the country’s economy. It provides employment to a vast segment of craftpersons in rural & semi urban areas and generates substantial foreign exchange for the country, while preserving its cultural heritage. Handicrafts have great potential, as they hold the key for sustaining not only the existing set of millions of artisans spread over length and breadth of the country, but also for the increasingly large number of new entrants in the crafts activity. Presently, handicrafts contribute substantially to employment generation and exports. The Handicraft sector has, however, suffered due to its being unorganized, with the additional constraints of lack of education, low capital, poor exposure to new technologies, absence of market intelligence, and a poor institutional framework. In spite of these constraints, sector has witnessed a significant growth of 3% annually. Some of the promising areas in the crafts sector during the 10th Plan had been:

- Exports continued to grow for high value-added crafts products.
- Consumer tastes changed rapidly on account of economic liberalization.
- Focus on quality and product diversification with increasing consumer awareness.
- Increasing challenge offered by availability of mass-produced competing product lines using different raw materials (often man-made) and mechanized production techniques.
- Government policy envisaged a greater role for NGOs, and participation of private resources - both human & financial.

2. The Working Group on Textiles and Jute has projected a growth of employment in the Handicrafts sector @ 3% annually during Xth Five Year Plan. Thus, it is presumed that the total employment in the sector as at the end of 10th plan is 67.70 lakhs, which at the beginning of the 10th plan was 60.16 lakhs, showing an annual growth rate of about 3%. The Sub Group on handicrafts for 11th Plan has expected this employment to reach 80 lakhs by the end of 11th Plan which at present is estimated at 71.81 lakhs.

The plan expenditure during the period also witnessed a steady growth increasing from Rs.71.65 crores in 2002-03 to Rs.206.00 crores in 2008-09. The production during the period 2002-03 has decreased from Rs.19,564.52 crores to Rs.19.375.88 crores during the year 2008-09 although in the intervening period it had shown a rise in the graph of production in view of increase in exports which started decreasing from the year 2006-07 due to rupee appreciation against US $ & recession in World Economy. The exports during the period decreased from Rs.12,434.38 crores in the year 2002-03 to Rs.10,891.85 crores at the end of the year 2008-09 registering a cumulative decline of 12.40%. The budget outlay for the year 2009-10 has been proposed for Rs.220 crores.

Handicrafts activity being a State subject, its development and promotion are the
primary responsibility of every State Government. However, the Central Government is supplementing their efforts by implementing various developmental schemes.

3. Schemes on Handicrafts Development

During the Xth Plan the Government of India has implemented seven generic schemes in the central sector for holistic growth and development of handicrafts sector in the country. The Sub-Group on handicrafts recommended six generic schemes for development of handicrafts in the country to be implemented during the 11th five year plan. The schemes recommended for implementation during 11th five year plan are as under:

1. Baba Saheb Ambedkar Hastshilp Vikas Yojana

This scheme aims to promote Indian handicrafts by developing artisans' clusters into professionally managed and self-reliant community enterprise on the principles of effective member participation and mutual cooperation. The thrust of the scheme is on a project based, need based integrated approach for sustainable development of handicrafts through participation of craftpersons. This would lead to their empowerment. The components of the scheme are as under:

A. Social interventions
i. Diagnostic Survey and formulation of Project Plan
ii. Community empowerment for mobilization of artisans into Self Help Groups
iii. Issuance of Identity cards to the artisans (Departmental activity)

B. Technological interventions
i. Development and supply of improved modern tools
ii. Design and Technical Development Workshops
iii. Integrated Design and Technical Development workshops
iv. Training of artisans
v. Organizing Seminars & Symposiums.
vi. Technological status and need based study and research provision.

C. Marketing interventions
i. Organizing Exhibitions
ii. Publicity through printing and electronic mode and brand building campaign
iii. Setting up of Handicrafts emporia in own/rented/outright purchase of building and renovation
iv. Market assessment, product assessment study and Study cum exposure tours for artisans and other stake holders tour
v. Establishment of warehousing cum Common work shed
vi. Entrepreneurship Development Programme.

D. Financial interventions
i. Margin Money support
ii. Wage compensation to cluster manager
iii. Service charges for Implementing Agencies
iv. Engagement of experts/consultants/ institutions, etc., for providing need based assistance including guiding and monitoring.
v. Credit Guarantee (Departmental activity)

E. Cluster specific infrastructure related interventions
i. Establishment of Resource Centre for major crafts
ii. Establishment of E-kiosks
iii. Creation of Raw Material Banks
iv. Setting up of Common Facility Centre.
v. Technological assistance by setting up of Facility Centres by Exporters/Entrepreneurs, etc.

During the year 2008-09 Rs.41.93 crores have been released for 125 Clusters. A budget of Rs. 60.09 crores has been proposed for implementation of different interventions under the scheme for year 2009-10.

2 Design & Technical Up-gradation

The scheme aims to upgrade artisan's skills through development of innovative designs and prototype products for overseas market, revival of languishing crafts and preservation of heritage etc. The scheme has the following components:

I. Skill up-gradation.
   b. Assistance for training the trainers.
   c. Assistance to Shilp Gurus. (heritage masters)

II. Assistance for Design and Technology Upgradation.
   a) Design & Technology Development Workshop.
   b) Integrated Design and Technology Development Project.

III. Documentation Preservation and revival of rare and Languishing crafts.

IV. National Award for outstanding contribution in Handicrafts Sector.

V. Financial Assistance for Institutions to be set up under State Initiatives.
   a) State initiative Design Centres.
   b) Handicrafts Museum.

VI. Setting up of Design Bank.

VII. Financial Assistance to Central Govt. sponsored Institutions.

VIII. Product Development programme for exporters.

During the year 2008-09 Rs. 14.00 crores have been released for 148, Design Workshops/Projects, 4 State Initiative Design Centres, 25 Shilp Gurus, 7 Museums and 3 Design Banks. A budget of Rs. 14.00 crores has been proposed for implementation of the projects under the different components of the scheme for year 2009-10.

3 Marketing Support and Services schemes

The Marketing Support Scheme and the Export Promotion Scheme running separately in the Tenth Plan have been clubbed in Eleventh Plan and the Clubbed new Scheme is titled as "Marketing Support & Services Scheme". The scheme has three broad following components:

i) Domestic Marketing

- Marketing Events covering Crafts Bazaar/Gandhi Shilp Bazar ; Exhibitions ;Sourcing Shows & Travel & transportation assistance.
- Marketing Infrastructure covering; Urban Haat; Emporia; Marketing Hub in Metros; Sourcing Hub in major clusters & Ware-housing facilities.
- Marketing Services covering Workshops/Seminars & Marketing Studies within the country.
Note: The Gandhi Shilp Bazar is a novel concept whereby it is ensured that at least one Bazar is always on, every day in the year somewhere in the country. The calendar of these bazaars is finalized and circulated at the beginning of the year so that the artisans desirous of participation get sufficient advance notice to plan for their production and participation in the event.

ii) **International Marketing**
- Marketing Events covering Cultural Exchange Programmes; Fairs & Exhibitions; Thematic Shows; Reverse Buyer Seller Meet & Participation of Entrepreneurs/SHGs Federations / National Awardees.

iii) **Publicity**
- Publicity through print and electronic media.
- Publicity through maps, folders, brochures, catalogues and pamphlets, etc.
- Publicity through Website, CD ROMs etc.
- To create Brand image for Indian Handicrafts.

During the year 2008-09 Rs. 52.96 crores have been released for 183 crafts Bazaars, 126 Exhibitions, 183 other events like workshops etc., 65 programmes for Export Promotion (Domestic and International). A budget of Rs. 52.96 crores has been proposed for implementation of different activities under the scheme for year 2009-10.

### 4 Human Resource Development Scheme

The Human Resource Development Scheme has been formulated to provide qualified and trained workforce for establishing a strong production base coupled with improvement in quality and use of appropriate techniques, processes and innovative design to meet present day market requirement.

i) **Training Through Established Institutions.**

ii) **Training in Innovative Designs for the persons involved in Pattern making/Talim writing/Plaster/Rubber Moulds/Block making etc.**

iii) **Training of Artisans/SHG leaders/NGO in capacity building.**

iv) **Conducting Seminars/Workshops**

During the year 2008-09 Rs. 4.01 crores have been released for 7 Institutional Training programmes and 140 Programmes under guru shishya Prampara. A budget of Rs. 6.22 crores has been proposed for implementation of different projects under the scheme for year 2009-10.

### 5 Research & Development

Research and Development scheme was introduced to conduct surveys and studies of important crafts and make in-depth analysis of specific aspects and problems of Handicrafts in order to generate useful inputs to aid policy Planning and fine tune the ongoing initiatives; and to have independent evaluation of the schemes implemented by this office. The scheme has been continued for implementation during the Eleventh five year plan. Following activities are being undertaken:

A. **Survey & Studies.**

B. **Conducting all India Census of**
handicraft artisans @ 20% districts of the country every year.

C. Registration of Crafts under Geographical Indication Act & Financial support for certification of raw materials and products.

D. Setting up of new labs/strengthening of existing labs for standardization/certification of raw materials.

E. Assisting handicrafts exporters in adoption of GSI global identification standards and for bar coding, including handicrafts mark for generic products.

During the year 2008-09 Rs. 4.96 crores have been released for 30 studies, 17 workshops including awarding of work for Census for 6 regions of the country. A budget of Rs. 9.13 crores has been proposed for implementation of different projects/studies under the scheme for year 2009-10.

6 Handicrafts Artisans Comprehensive Welfare Scheme

The scheme has been included in the 11th Five Year Plan as one of the major schemes with the following two main components, aimed at Insurance Cover and Health Care of Handicrafts Artisan and his family:

A. Rajiv Gandhi Shilpi Swasthya Bima Yojana.

Rajiv Gandhi Shilpi Swasthya Bima Yojana aims at financially enabling the artisans community to access to the best of healthcare facilities in the country. This scheme covers not only the artisans but also any three members out of spouse, dependent parents and children.

B. Bima Yojana for Handicrafts Artisans.

The objective of "Bima Yojana For Handicrafts Artisans" is to provide life insurance protection to the Handicrafts Artisans, whether male or female, between the age group of 18-60 years.

During the year 2008-09 Rs. 84.77 crores have been released for 18,48,172 artisans covered under (RGSSBY) & under (Bima Yojana). A budget of Rs. 71.60 crores has been proposed for bringing artisans under Insurance cover under the scheme for year 2009-10.

Export of Handicrafts

The exports of handicrafts, including hand knotted carpets, during the year 2008-09 were Rs 10891.85 crores (US$ 2397.94 Million) registering a decrease of 37.89% in Rupee terms and 44.96% in dollar terms. During the year 2008-09 provisional export of handmade carpets & other Floor coverings has shown decrease in rupee terms by 23.15% and 31.48% in US $ terms and in handicrafts decrease of 41.60% in Rupee terms and 48.35% in US $ terms in comparison to the export during the year 2007-08.

The export target for 2009-10 has been fixed at Rs. 32960 crores including carpets.

The reason for decrease in export is due to the impact of rupee appreciation, low realization on export proceeds and recession in world economy. Details of exports of both Handicrafts & Carpet may be seen on table 11.1.

Steps taken for promotion of Exports

1. 71 Handicrafts Products and handmade carpets covered under "Vishesh Krishi and Gram Udyog Yojana Scheme" (VKGUY). Inclusion of remaining 101 products of handicrafts under VKGUY is being pursued with DGFT Ministry of Commerce.

2. Efforts are on to facilitate entitlement of benefit of Duty Credit Scrip @
6.25% of the FOB value of export to carpet and handicrafts industry on the pattern of benefit extended to Sports Goods with Ministry of Commerce.

3. Restoration of Duty Drawback Rates as were effective before 1.9.2008 for carpets is being pursued with Ministry of Finance.

Activities undertaken during 2008-09 by Export Promotion Council For Handicrafts

During the year 2008-09, Export Promotion Council for Handicrafts undertaken the following activities:

- Participated in International Home Furnishing Market Week, High Point, USA along with 2 Entrepreneurs and 5 Master Craftspersons from 7-13 April, 2008.

- Participated in Hong Kong Houseware Fair along with 43 exporters + one promotional booth of EPCH from 21-24 April, 2008

- Participated in Hong Kong Gifts & Premium Fair along with 22 exporters + 1 promotional booth of EPCH from 28 April - 01 May, 2008.

- A Seminar on Brand Image Promotion of Indian Handicrafts in association with the Indian Mission, Argentina was organized on 08th April, 2008 at Hotel Sheraton Libertador. The seminar was held along with the visit of a High Level Delegation led by Shri Shankersinh Vaghela, Hon’ble Union Minister of Textiles comprising of Shri Sanjay Agarwal, Development Commissioner (Handicrafts), Chairman and Executive Director of Export Promotion Council for Handicrafts. The seminar was inaugurated by the Hon’ble Minister of Textiles in the presence of H.E. the Ambassador of India - Mr. R. Vishwanathan and were attended by over 200 delegates comprising of importers, businessmen, media and Government Officials.

- Regional Office of EPCH at Moradabad was setup and inaugurated by Hon’ble Minister of Textiles on 09th May, 2008

- Participated in Asia’s Fashion Jewellery & Accessories Fair, Hong Kong along with 18 exporters + 1 promotional booth of EPCH from June 19-22, 2008.

- A Symposium on Exports of Handicrafts: Threats & Opportunities organized at Hotel Raj Mahal, Moradabad on 25th June, 2008. The Symposium was participated by about 150 exporters from Moradabad and Sr. Officers from various departments of Central and State Government concerning to exports also attended the Symposium and interacted with the exporters in respect of their problems and solutions.

Table 11.1
Export of Handicrafts
(Rs. in Crores)

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</thead>
<tbody>
<tr>
<td>A. Carpet &amp; other floor covering</td>
<td>2779.79</td>
<td>2583.62</td>
<td>3082.06</td>
<td>3674.86</td>
<td>3524.73</td>
<td>2708.73</td>
</tr>
<tr>
<td>B. Other Handicrafts</td>
<td>13555.48</td>
<td>15984.14</td>
<td>16185.59</td>
<td>17288.14</td>
<td>14012.05</td>
<td>8183.12</td>
</tr>
<tr>
<td>Grand Total (A+B)</td>
<td>16335.27</td>
<td>18567.76</td>
<td>19267.65</td>
<td>20963.00</td>
<td>17536.78</td>
<td>10891.85</td>
</tr>
</tbody>
</table>
The arrangements for organizing Road Shows in Dubai & Muscat and Festival of India in Argentina were coordinated with Indian Mission and other agencies participating.

A Seminar on Brand Image Promotion of Indian Handicrafts in association with the Indian Missions, UAE & Oman was organized on 28th August, 2008 & 30th August 2008 respectively. The seminar was held along with the visit of a High Level Delegation led by Shri Shankersinh Vaghela, Hon’ble Union Minister of Textiles comprising of Shri Sanjay Agarwal, Development Commissioner (Handicrafts) and Executive Director of Export Promotion Council for Handicrafts.

Participated in House & Gifts, Sao Paulo, Brazil Fair along with 13 exporters + one promotional booth of EPCH from 16-19 August, 2008.

Executive Director visited Argentina for discussions with the H.E. The Ambassador, Embassy of India and finalization of venues, arrangements for organizing ensuing Festival of India in Argentina from November 21-28, 2008.

Participated in Budapest International Trade Fair, Budapest, Hungary along with 18 exporters + one promotional booth of EPCH from 10th - 14th September, 2008.

Participated in GIFTS EXPO, Moscow, Russia along with 10 exporters, 8 Master Craftspersons and 1 promotional booth of EPCH from 23 -26 September, 2008.

Organized 26th edition of Indian Handicrafts & Gifts Fair (Autumn), 2008 from 15-18 October, 2008 at IEML, Greater NOIDA, UP.

Under MDA scheme, Reverse Buyer Seller Meet was arranged and 17 Journalists and 12 buyers from focus countries like LAC Region, Colombia, Argentina, Chile, Zimbabwe, Botswana, Namibia Tunisia, Russia, Turkmenistan, Uzbekistan, Tajikistan, Belarus, Kazakhstan, Kyrgyz Republic, Laos PDR, Malaysia, Darussalam, Indonesia had visited IHGF(Autumn), 2008

Organized Festival of India at Buenos Aires, Argentina from November 21-28, 2008. 8 Master Craftspersons for display of products and live demonstration along with 16 exporters for retail participated in the festival. During the Festival, a Seminar on Brand Image Promotion of Indian handicrafts as well as Buyer Seller Meet concerning to handicrafts was also held. The Festival was comprising with cultural programmes, films, food festival etc. The Indian handicrafts exhibition was inaugurated by the Development Commissioner (Handicrafts) along with the H.E. The Ambassador of India Shri R. Viswanathan in Buenos Aires, Argentina. The festival was a success as large number of visitors took interest and enabled us to create awareness and brand image promotion for exploring exports in LAC.

A Seminar on Brand Image Promotion of Indian Handicrafts in association with the Embassy of India, Bogotá, Colombia was organized on 27th November, 2008 in Bogotá, Colombia. The Seminar was attended by large number of delegates comprising of importers,
businessmen, media and Government Officials of Argentina and policy makers. Shri Sanjay Agarwal, Development Commissioner (Handicrafts) and Executive Director of Export Promotion Council for Handicrafts made presentations about the Indian Handicrafts sector in India, Design Development, Resource Centre and Government Policies. The Seminar was also addressed by H.E. the Ambassador of India - Mr. Deepak Kishinchand Bhojwani. The seminar was a great success and wide publicity was attained in the media. Hence, this enabled us to create awareness as well as export market about Indian handicrafts.

- Participated in AF-L' Artigiano in Fiera, Milan, Italy along with 16 exporters + 1 promotional booth of EPCH from 29th November - 8th December, 2008.

- Participated in International Autumn Trade Fair 2008, Dubai, UAE along with 8 Master Craftspersons for live demonstration from December 15-18, 2008.

- 22nd Annual General Meeting held at New Delhi on 31st December, 2008.

- Participated in MACEF International Autumn Fair 2009, Milan, Italy alongwith 8 Master Craftspersons for live demonstration from January 16-19, 2009.

- Participated in Muscat Festival 2009, Muscat, OMAN alongwith 16 Master Craftspersons for live demonstration from January 19 - February 12, 2009.

- Participated in International Spring Fair, Birmingham, UK along with 15 exporters + 1 promotional booth of EPCH from 1-5 February, 2009.

- Organized 27th edition of Indian Handicrafts & Gifts Fair (Spring), 2009 from 25-28 February, 2009 at Greater Noida.

Activities undertaken under MDA scheme of Ministry of Commerce & Industry

Under MDA scheme of the Ministry of Commerce & Industry, total budget of Rs. 410.22 lakhs was approved for participation in exhibitions/fairs abroad for the year 2008-09, Council participated in the following 11 exhibitions/fairs:-

1. Hong Kong House Ware Fair, Hong Kong, (21-24 April 2008)

2. Hong Kong Gift & Premium Hong Kong (28 April-1 May, 2008)

3. Asia’s Fashion Jewellery & Accessories Show, Hong Kong 19 - 22 June 2008


5. Asian Gifts & Premium & Household Products, Hong Kong (20-23 October 2008)

6. AF-L’ Artigiano In Fiera, 13th International Crafts Selling Exhibition (Milan) (Italy) (29th November - 08th December, 2008)


8. House & Gift Fair Sao Paulo, Brazil (16-19 August, 2008)

9. Gifts Expo Moscow, Russia 23 -26 Sept., 2008


11. India Show-Santiago, Chile & BSM-Lima 18-21 & 24-25 March, 2009
In the above 11 participations, total 240 exporter members participated and export orders of about of Rs. 11.30 crores was booked besides export enquires worth of Rs. 32 crores were generated. 240 exporters members participated in the above 11 exhibitions displayed almost all varieties of handicrafts including the newly designed and innovated products. The publicity material was used for creating awareness about Indian handicrafts products, designs, quality and innovations and larger interactions with the buyers, importers in above exhibitions enable to promote exports of handicrafts as well as brand image. The amount of Rs. 309.40 lakhs was reimbursed to 227 exporters participated under MDA scheme.

Activities undertaken during 2008-09 by Carpet Export Promotion Council


The Main Objects of the Council is to support, protect, maintain, increase and promote the export of Handknotted carpets, woollen druggets and floor coverings by such methods as may be necessary or expedient.

Ancillary or Incidental to the attainment of main objects of the Council are as under:

1. To undertake market studies in foreign countries regularly as well as on adhoc basis.
2. To send out trade delegations/sales-cum-study teams to foreign countries.
3. To appoint representatives or correspondents in foreign markets for the purpose of continuing and regular reporting trends in prices, market and preferences and other allied matters.
4. To conduct publicity campaign regularly and continuously so as to keep Indian Handknotted carpets before the eyes of public overseas and bring home the advantages of buying Handknotted carpets and other floor coverings from India.
5. To act as Registering Authority if so decided by Government.
6. To advise or represent to Government, local authorities and Public Bodies on policies adopted by them in relation to their effect on Industry or Commerce and other measures including direct and indirect taxation is so far as such policies or measures have a bearing directly or otherwise on the export of handmade carpets and floor coverings.
7. To enunciate just, equitable principles to govern the trade in handmade carpets and floor coverings and to set up a code or codes of practices for the general guidance of exporters and manufacturers and further to simplify transaction relating to export of handmade carpets and floor coverings.
8. To obtain from members of the Council and to prepare for the Council as a whole, action plan for promotion of exports, development of export markets, generation of production for exports, setting of export targets generally and in relation of specific countries and commodities on an annual basis and for such medium and longer terms as may be considered desirable and to ensure/undertake execution of such plans.

MEMBERSHIP

This Council has enrolled 2046 members.
ACTIVITIES OF THE COUNCIL FOR THE YEAR 2008-09

1. Organized participation in Eurasia Floor-2008 from 2-5 April 2008 at Istanbul (Turkey). Where 25 member-exporters were participated and business worth Rs.328.96 Lakhs was transacted in the fair with 199 enquiries.

2. Organized participation in Kish International Handmade Carpet Exhibition from 29th April to 2nd May, 2008 with 12 Member-exporters.

3. Meeting of the National Level Steering Committee was held under the chairmanship of Development Commissioner (Handicrafts) wherein it was decided to organize seminars in the carpet belts of Bhadohi & Jaipur with a view to step up its crusade against the use of child labour, to prepare a compendium on the various legal provisions, rules & regulations pertaining to child labour in major carpet producing states in India and other carpet producing countries in the world etc.

4. Organized participation in Domotex Middle-East at Dubai from 25-27 May, 2008. Where 19 member-exporters were participated.

5. A High Powered Delegation under the leadership of Development Commissioner (Handicrafts), visited USA to attend hearing on the issue of Child Labour in the Indian Carpet Industry from 26th May to 2nd June, 2008.

6. Organized Seminar on "Crusade against Child Labour" on 12th June, 2008 at Bhadohi on World Day against Child Labour.


8. Organized participation in 37 House & Gift Fair of South America from 16-19 August, 2008 where 26 member-exporters participated and generated good amount of business Organized participation in 73rd TIF in Thessaloniki, Greece from 6-14 September, 2008.

9. Organized participation in Pakistan Handknotted Carpet Exhibition from 28-31 August, 2008 at Lahore (Pakistan where 8 member-exporters participated and generated good amount of business.


11. Organized participation in 73rd Thessaloniki International Fair from 6-14 September, 2008 at Thessaloniki (Greece) where 7 member-exporters participated and generated good amount of business.

12. Organized India Carpet Expo from 17th to 20th October, 2008 at Varanasi (U.P.) where 211 member-exporters displayed their merchandise. 192 overseas buyers visited the expo. Hon'ble Minister of Textiles inaugurated the Expo. Shri G.K. Pillai, Commerce Secretary was the Guest of Honour. Development Commissioner (Handicrafts), Director (Finance), Ministry of Textiles, Under Secretary, Ministry of Commerce, Addl. Development Commissioner (Handicrafts), DM, SP, IG of Varanasi also visited the expo. A good amount of business was transacted during the expo.
13. Council arranged participation in Domotex International Trade Fair from 17-20 January, 2009 at Hannover (Germany) where 142 member-exporters of the Council participated and generated a good amount of business.


15. Organized India Carpet Expo, 12-15 February, 2009 at New Delhi where 208 Member-Exporters of the Council participated and displayed their wide range of products. More than 200 overseas carpet buyers visited. Businesses worth Rs. 250.00 Crores were generated during the fair.

16. Organized One day Buyer Seller Meet on 14th February, 2009 at New Delhi for one to one interaction with the overseas carpet buyers and manufacturers.

17. Organized Exhibition-cum-Buyer Seller Meet on 16-17 February, 2009 at Jaipur where 33 member-exporters from Rajasthan participated and displayed their wide range of products. 61 overseas carpet buyers visited the exhibition and business worth Rs. 50.00 Crores was generated.


19. Organized participation in EXPORT HOME 2009 in Porto (Portugal) from 3rd to 7th March, 200, where 5 Member-Exporters participated and generated a good amount of business.


21. Organized participation in Stand Alone Exhibition in Toronto (Canada) from 19th to 21st March, 2009, where 10 Member-Exporters participated and generated good amount of business.

Details of Societies/Institutes

Indian Institute of Carpet Technology (IICT), Bhadohi

"Indian Institute of Carpet Technology" Bhadohi (IICT) has been set up by Ministry of Textiles, Govt. of India in 1998 as a registered Society under the Society Registration Act, 1860. IICT became truly functional in 2001 by launching B.Tech. (Carpet & Textile Technology) programme with 20 intake which has been raised subsequently. IICT was set up by Ministry of Textiles, Government of India to provide all possible technical support to the Carpet, Textile & other related sectors. Institute has tried to fulfill long time pending demand of the sector for technical experts through its two batches B.Tech. Technocrats. IICT is providing quality education to its students by targeting to meet the anticipated requirements of the stake holders through formal or informal feedbacks from the various organizations. Other trainees of the institute have also been doing well and holding a good position in the organizations. Institute has been ISO-9000:2001 certified and its laboratory is NABL (National Accreditation Board for Laboratories) accredited. Testing reports given by IICT are valid in 72 countries of the world B. Tech. programme of the institute is approved by AICTE, New Delhi & affiliated to U.P. Technical University, Lucknow, It is also approved by the Textile Institute, Manchester (UK).

Present intake in B.Tech. programme is 60 which are filled up through AIEEE & Central Counseling Board (CCB), New Delhi. Besides B.Tech. Programme institute is also conducting IDLP & Short-
term industry driven programme. IDLP consists of 7 different diploma out of 30 topics where as Short Term consists of 3 programmes. The Institute is also a member of I.S.T.E and CII. Institute is meeting the mandate through created four portfolios over the last 6 functional years.

The activities undertaken by the institute during the year 2008-09 are as under:

- **Human Resource Development (HRD):** As per CCB recommendations, the admissions in B.Tech. 1st year & lateral entry in B.Tech 2nd year is completed for the session 2008-09.

- **International Distance Learning Programme (IDLP):** The total fee for all 6 modules for a Diploma is Rs.36000/-. DEC inspection is awaited.

- **Short Term Training Programme:** The courses are running smoothly.

- **NBA Accreditation:** The NBA accreditation is already obtained for three years.

- **Design Creation & Development (DCD):** Under this 800 new designs developed.

- **Development of design using CAD facilities including rental for Design Café/Cyber Café:** Under this 350 new designs developed.

- **Sample Testing:** 2000 Sample Testing.

- **Study on survey and documentation on carpet dyeing.**

- **Setting up of Design Bank in Carpet design at Bhadohi.**

- **An Exploratory Study for Starting Training Centres for Traditional Skills Transfer in Carpet Industry.**

- **Skill development programme on application of computer & IT in carpet manufacturing perspective (Crafts).**

**Metal Handicrafts Service Centre (MHSC), Moradabad**

MHSC meets the international requirement of art metalwares sector in areas of post-production finishing processes. It is under the administrative control of office of DC(Handicrafts) and is managed by Governing Council consisting of representatives of Government of India, government of UP and representatives of trade and crafts. The center has the following division:

- Electroplating shop
- Training
- Lacquering
- Powder coating
- Polishing shop
- Research Testing and Calibration Laboratory.

**Activities**

The MHSC is providing assistance in the following areas for the development of the sector:

- Common facility services in lacquering, powder coating, Electroplating of Nickil, Silver, Gold, Copper, Brass, Chrome and Antique plating;
- Sand/shot Blasting to the Art metal ware Industry of Moradabad.
- Training in Finishing technologies and quality control for Artisans and manufacturers of Moradabad and other Cluster of India and abroad.
- Research, Testing and Calibration laboratory is providing all facilities for testing on metal, metal finishing and
handicrafts were like metal coating thickness, testing of toxic elements present e.g. lead cadmium, mercury, hexavalent chrome etc., corrosion test, analysis on metal and its allays and bursting strength test etc.

- Consultancy to implement project of common facility centre on turnkey basis.
- Research and Development work.

Under R&D programme an eco friendly plasma polymerization system is developed to coat brass articles by silicon dioxide coating with the assistance of Institute of Plasma Research Gandhi Nagar (Gujrat).

In view of requirement of Moradabad Metal Industries due to evolving technical scenario and to enable it to compete with the leading countries, viz. China, Taiwan, Korea, Pakistan, the Philippine, etc., the Government has restructured the centre to meet the requirement of evolving trends, provide fillip to the industry and export promotion. The restructured centre is providing services in the following fields:

1. Up-gradation of Laboratory.
2. Restructuring of processing facilities.
3. Technological research center.

**National Centre for Design & Product Development (NCDPD), New Delhi**

NCDPD was set-up with the view to focus exclusively on design development, product development and development of design sector for handicrafts industry for promoting exports. An organization under Society Act namely National Centre for Design & Product Development (NCDPD) was set up at Okhla, New Delhi with branch office at Moradabad in 1999 to focus on:

1. Development, adoption of new designs, pattern and product development ensuring effective and efficient utilization of existing skilled manpower resources and assimilation/adoption of the same.
2. Improvement of product design and quality and introduction of the same in the industry
3. Improvement of the industry's wrong practices with regards to international market
4. Upgrading the skills of craft persons
5. Create appropriate and broader job opportunities

During the year 2008-09, the National Centre for Design and Product Development took-up the following activities:

1. Product Development Programme for Diversifying Prototypes for export on Stone Crafts with the theme of Birds, Jaipur.
2. Integrated Design and technical Project on wood, Saharanpur.
4. 4 seminar on Trends & forecast during IHGF-spring, 09.

**Bamboo & Cane Development Institute (BCDI), Agartala**

The BCDI, Agartala had been setup with an objective of spearheading the use of locally grown natural materials bamboo & Cane, as a driver of economic development and change in the age of environmental consciousness and global competitiveness. The BCDI once fully commissioned shall provide platform for human resource development and research to understand and mobilize the potential for innovations that can hasten the economic and social development of small rural communities and individual
craftsmen particularly in the North Eastern region. Thus BCDI will be a platform for the use of bamboo as a vehicle for sustainable development of North Eastern region and for India as a whole.

BCDI has been envisaged at a total project cost of Rs.14.61 crores. Out of this building has already been constructed at a total cost of Rs.6.57 crores. The management was to be handled by a State Society which was agreed to, by the State Government of Tripura also. Further after a lapse of five years, they have expressed their inability to do the same. Therefore, in order to operationalise Bamboo and Cane Development Institute (BCDI), appropriate system is being finalized for day to day management of the Institute.

**IMPORTANT PROJECTS**

1. **Mega clusters at Moradabad and Narsapur**

Mega cluster approach is a drive to scale up the infrastructural and production chain at Handicrafts clusters which have remained unorganized and have not kept pace with the modernization and development that have been taking place so far. Consequently, there has not been any addition of fresh impetus of development and optimum realization of output in the handicrafts sector, which is not only the backbone of long traditional heritage and cultural linkages. The prospects of this sector lie in infrastructural Upgradation, modernization of the machinery and product diversification. Innovative manufacturing as well as designing know-how, furthered by brand building of the native products hold the key to creating a niche market for the products manufactured by the clusters. The proposed programme is expected to support the Upgradation of infrastructural facilities coupled with market linkages and product diversification.

The scheme envisages Government of India support to the extent of seventy crores per Mega cluster. The implementation of the scheme is through PPP mode where the Government of India share has been designed in such a manner that it tapers down over the project implementation period.

At present both the Mega Cluster projects are at different stages of implementation.

2. **India Exposition Mart**

India Exposition Mart set up at Greater Noida provides permanent contact point for foreign buyers throughout the year for a continuous buyer seller interaction. The mart has 1800 outlets equipped with Resource centre and latest information technology facilities.

3. **Urban Haat**

So far setting up of 44 Urban haats across the country have been approved. 15 Urban Haats at the following locations have become operational.

- Jammu (J&K State)
- Sringar (J&K State)
- Uchana Karnal (Haryana State)
- Jodhpur (Rajasthan)
- Gohar Mahal (Bhopal M.P.)
- Ahmedabad (Gujarat State)
- Mysore (Karnataka)
- Tirupati (Andhra Pradesh)
- Bhubneshwar (Orissa)
- Konark (Orissa)
4. Setting up of International Craft Complex at Vasant Kunj New Delhi

The proposed Craft Complex shall provide impetus to crafts tourism by attracting international dignitaries and tourists and act as a global complex where there will be continuous show casing of products not only from the Indian top level craftpersons and producer groups comprising designers, entrepreneurs and craftpersons but also from other countries like South East Asia, Africa, CIS, LAC, Europe etc. This platform aims to facilitate regular exchange of experience sharing which is necessary to help the craftpersons to upgrade with the global trend. An amount of Rs.15.79 crore towards cost of land has been released to DDA.

Tenders have already been issued in the newspapers. Pre bid meeting has been held. The last date for depositing quotations is 16.06.2009 and subsequent action will be taken in a time bound manner for finalization of agency.

NEW INITIATIVES TO BE TAKEN FOR DEVELOPMENT OF HANDICRAFTS SECTOR DURING 11TH FIVE YEAR PLAN

1. Extending the existing Mega Cluster Scheme to Carpet Weaving in Srinagar and Bhadohi - Mirzapur.

2. Creation of Marketing Platform for handicraft products using network of

Delhi Metro Corporation:

Delhi Metro Rail Corporation has agreed to establish 160 kiosks exclusively for hand crafted products at its different stations of Metro network in NCR. Accordingly, a project proposal at a total cost of Rs.41.00 crore has been received from DMRC. The share of Office of DC (Handicrafts) will be Rs.10.00 crore and rest of the amount will be invested by DMRC.

3. Facilitating Credit to Artisans through Public Sector Banks. To facilitate sanction of loan by Banks to the handicraft artisans, the credit extended by the Banks to the handicrafts sector is provided guarantee by the Credit Guarantee Fund Trust for Micro and Small Enterprise (CGTSME). As a special arrangement agreed to by CGTSME, the Office of DC (H) has provided Rs.2.80 crore as an advance towards the guarantee fee/Annual Service Charges payable in respect of credit to be sanctioned by the Banks to the handicraft artisans.

4. Website Development

Office of the Development Commissioner (Handicrafts) is in process of development of two portals are as follows:

● AHFY Cluster portal:

This portal shall contain information related to AHFY clusters, details of AHFY Scheme, details of AHFY beneficiaries, Cluster Map, Cluster Directory, Cluster data and Design Gallery. Initially 50 products of each of the 500 clusters shall be showcased in the design gallery of the portal with incremental of 100 clusters every year.
The main objective of this website is to showcase products of AHVY clusters thus providing market linkages between buyer and seller. The buyer shall be able to send enquiry directly to NGO/implementing agency.

- **Theme based cluster portal:**

  This portal shall contain the information about the current scenario of the Handicraft sector with specific reference to the five identified theme crafts, including theme craft based photo gallery.

  The portal shall cover 9000 handicrafts entities i.e. Shilp Guru - 10, National Awardees 250, State Awardees - 500, AHVY Groups - 1640 (2,80,000 artisans), Exporters 3000, retailers - 3600 (18 cities). The location of 18 cities shall be uploaded in the google map. The main objective of this portal is to connect buyer and seller companies from more than 100 countries and to provide linkages to existing website of handicrafts entities.

5. 600 new clusters to be identified for development to benefit 4.00 lakhs additional artisans in the 11th Plan.

6. Setting up of Handicrafts Marketing Hubs in Metros - A concept of "one stop shopping" to provide a marketing platform to wholesalers/retail consumers and foreign buyers on PPP model.

7. Setting up of Handicrafts Sourcing Hubs in major Clusters - a marketing platform for sourcing in the cluster to be set up on PPP model.

8. Warehousing facilities of handicrafts - to be set up at important locations for artisans/producers to store on PPP model.

9. Setting up of new labs/strengthening of existing labs for standardization/certification of raw material.

10. Establishment of Resource Centre for major crafts - to provide one window solution for comprehensive handholding in technical and technological information, market intelligence and enterprise development etc.

11. An objective system of grading of NGOs has been introduced to enable selection of quality eligible implementing partners.
CHAPTER XII

PUBLIC SECTOR
UNDERTAKINGS
CHAPTER XII

PUBLIC SECTOR UNDERTAKINGS

NATIONAL TEXTILE CORPORATION LIMITED

The National Textile Corporation Limited (NTC) was incorporated in April, 1968 to manage the affairs of the private sector sick textile mills, which were taken over by the Government under the three Nationalization Acts (first the Sick Textile Undertakings (Nationalization) Act, 1974, thereafter the Swadeshi Cotton Mills Company Limited (Acquisition and Transfer of Undertakings) Act, 1986 and then the Textile Undertakings (Nationalization) Act, 1995)

It was also proposed to rehabilitate and modernize these mills after the take over and expand them wherever necessary with a view to make them economically viable. NTC (H C) Ltd., the Holding Company, having its registered office at New Delhi, was managing its mills through 9 Subsidiary Corporations, having 119 mills initially.

Laying Foundation Stone of Finlay Mills, Achalpur by Her Excellency Smt. Pratibha Devisingh Patil, Hon’ble President of India. Seen in the picture are Shri Shankarsinh Vaghela, Union Minister of Textiles, Shri Vilas Rao Deshmukh, Chief Minister of Maharashtra.
CAPITAL STRUCTURE

Initially NTC Ltd. had an Authorised capital of Rs.10.00 crores which is now Rs.5000 crores as on 31 March, 2008 with the paid up capital of Rs.3062.16 crores.

REHABILITATION OF NTC

Eight out of nine Subsidiaries of NTC were referred to BIFR under the provisions of the Sick Industrial Companies Act (Special Provisions) during 1992-94 on account of continuous loss. The BIFR approved the Rehabilitation Scheme for these Subsidiaries in February/July 2002 and the 9th Subsidiary was also referred to BIFR in October, 2002. The BIFR sanctioned Revival Scheme for all the 9 Subsidiaries allowed the Company to close down all unviable mills and to revive the viable units. The Company has so far closed 76 unviable mills and is in the process of reviving 24 mills directly by NTC and 19 mills through joint venture route with strategic partners. The original Rehabilitation Scheme approved by BIFR and modified in September 2006 was revised in 2008 on the basis of the developments that had taken place in the textile sector. All the 9 Subsidiaries were merged with the Holding Company and NTC is today a single Company as against 10 companies in the past.

The cost and means of Finance for the Modified Rehabilitation Scheme 2008 (MS-08) is given at table 12.1.

SUBSEQUENT DEVELOPMENTS

The above MS-08 was approved by the

<table>
<thead>
<tr>
<th>Table 12.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Scheme &quot;MS-08&quot;</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COST OF SCHEME</th>
<th>AMOUNT (Rs. in Crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modernization of Plant &amp; Machinery in 22 Mills</td>
<td>1155.96</td>
</tr>
<tr>
<td>Margin Money for Working Capital</td>
<td>54.02</td>
</tr>
<tr>
<td>MVRS amount</td>
<td>2490.87</td>
</tr>
<tr>
<td>Pressing Creditors (balance)</td>
<td>328.13</td>
</tr>
<tr>
<td>Wage Support during implementation period</td>
<td>1668.94</td>
</tr>
<tr>
<td>Interest and related expenses on bonds</td>
<td>858.56</td>
</tr>
<tr>
<td>Bonds redemption</td>
<td>2028.04</td>
</tr>
<tr>
<td>Statutory dues</td>
<td>224.55</td>
</tr>
<tr>
<td>Payment of secured creditors (OTS)</td>
<td>293.65</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>9102.72</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MEANS OF FINANCE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest free loan from GOI against shortfall in wages</td>
<td>1643.84</td>
</tr>
<tr>
<td>Funds from sale of Land &amp; other assets</td>
<td>7033.22</td>
</tr>
<tr>
<td>Bonds issued</td>
<td>2028.04</td>
</tr>
<tr>
<td>Interest earning</td>
<td>234.89</td>
</tr>
<tr>
<td>VRS grant received</td>
<td>55.47</td>
</tr>
<tr>
<td>Rent Received</td>
<td>7.21</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>11002.67</strong></td>
</tr>
</tbody>
</table>
BIFR on 4.9.2008. As envisaged in the table 12.1, the Modified Scheme (MS-08) takes into account the various changes due to changed economic scenario particularly in textile industry, advanced technology and cost escalation. The total cost of the scheme is Rs.9102.72 crores. It has various relief and concessions as envisaged in the earlier schemes of erstwhile subsidiaries.

LAYING OF FOUNDATION STONE BY H.E.PRESIDENT OF INDIA FOR SETTING UP OF TEXTILE MILL UNDER GREEN FIELD PROJECT AT ACHALPUR, MAHARASHTRA.

The foundation stone for this Green Field project at Achalpur was laid by Her Excellency, the President of India on 6th September, 2008.

The other green field projects will be set up as Udaipur Cotton Mills, at the land of Mahalaxmi Mills, Beawar(Rajasthan) as Technical Textiles unit, Minerva Mills, Hassan (SEZ Area) and Rajnagar Textile Mills, Ahmedabad.

INAUGURATION OF KALEESWARAR 'B' MILLS AND PIONEER SPINNERS MODERNIZED BY NTC ITSELF.

The then Finance Minister, Shri P. Chidambaram inaugurated two of the modernized mills of NTC i.e. Kaleeswarar 'B' Mill and Pioneer Spinners at Kalaiyarkoil in Sivaganga Distt. Tamilnadu on 25th October, 2008.

The two mills viz. Kaleeswarar 'B' Mills and Pioneer Spinners with spindle capacity of 37664 and 27824 respectively have been modernized at a cost of Rs.12.23 crores and Rs.13.03 crores respectively. The
mills will provide direct employment to over 800 workmen and produce medium and coarse counts of cotton as well as blends.

**STATUS OF JV MILLS**

In pursuance of the decision of the Group of Ministers, NTC had entered into Joint Venture for five mills in November, 2007 in 1st phase with the ratio of 51:49 i.e. NTC is partner with 51% stake whereas Strategic Partners (JVP) are with 49% stake. In the 2nd phase of Joint Venture, the JV partnership has been finalized for 11 mills. Joint Venture for balance 3 mills is in process.

**PERFORMANCE DURING 2007-08 & 2008-09**

**FINANCIAL RESULTS**

The net profit/cash loss for the year 2007-08 (audited) and 2008-09 for the year (provisional) is at table 12.2.

**PRODUCTION**

The Production of Yarn & Cloth (including job work) in NTC mills during 2007-08 and for the year 2008-09 (provisional) is at table 12.3.

**TURNOVER**

The sales of Yarn and Cloth (including job work) in NTC mills during 2007-08 and 2008-09 (provisional) are at table 12.4.

**EMPLOYMENT**

At the end of March, 2009, there were 11471 employees on roll in NTC Group. Since April, 2002 to March, 2009, 59973 employees have availed VRS and an amount of Rs.2167.14 crores has been paid to them.

### Table 12.2

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particulars</th>
<th>2007-08 (Audited)</th>
<th>2008-09 (Un-audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Net Profit (+) / Loss (-)</td>
<td>(-) 510.18</td>
<td>(-) 231.95</td>
</tr>
<tr>
<td>B</td>
<td>Non-operative expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>i)</td>
<td>Gratuity provision</td>
<td>26.26</td>
<td>9.25</td>
</tr>
<tr>
<td>ii)</td>
<td>Depreciation</td>
<td>7.50</td>
<td>35.00</td>
</tr>
<tr>
<td>iii)</td>
<td>Provisions</td>
<td>7.45</td>
<td>-</td>
</tr>
<tr>
<td>iv)</td>
<td>Govt. Interest</td>
<td>609.14</td>
<td>625.00</td>
</tr>
<tr>
<td>v)</td>
<td>Provisions for tax relating to prior period</td>
<td>203.00</td>
<td>(-) 203.00</td>
</tr>
<tr>
<td>C</td>
<td>SUB TOTAL (=i) to (v)</td>
<td>853.35</td>
<td>466.25</td>
</tr>
<tr>
<td>D</td>
<td>Cash deficit (A+B)</td>
<td>1363.53</td>
<td>698.20</td>
</tr>
</tbody>
</table>

### Table 12.3

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Actual 2007-08</td>
<td>370.45</td>
<td>138.50</td>
</tr>
<tr>
<td>2</td>
<td>Actual for 2008-09</td>
<td>276.81</td>
<td>130.94</td>
</tr>
</tbody>
</table>
READYMADE GARMENTS

NTC has diversified into production and sale of readymade garments by using NTC produced cloth. These include shirts, trousers, Bermuda, Shorts, Handkerchiefs, Kurta Pyjamas, Woolen Coats & Jackets, Inner garments etc. This has resulted in boosting up of retail sale. The products have been widely accepted in the market. NTC also markets readymade items (wide variety) under the Brand name FINLAY in Mumbai & ENTYCE all over India.

THE BRITISH INDIA CORPORATION LIMITED

The British India Corporation Limited was incorporated as a Public Limited Company on February 24, 1920. It was taken over by the Government of India on 11th June, 1981, under the British India Corporation Ltd. (acquisition of shares) Act. The BIC Limited, Kanpur owns and manages two woollen mills viz (1) Cawnpore Woollen Mills Branch, Kanpur (2) New Egerton Woollen Mills Branch, Dhariwal. The products of these two mills are popularly known by the Brand names of "Lalimli" & "Dhariwal" respectively. These units manufacture the woollen/blended suitings, Tweeds, Uniform Cloth, Lohis, Shawls, Rugs, Blankets etc.

The British India Corporation Limited has three subsidiary companies (1) Elgin Mills Co. Limited (2) Cawnpore Textiles Limited, Kanpur & (3) Brush Ware Limited.

MODERNIZATION/REHABILITATION OF BIC LIMITED AND ITS SUBSIDIARIES

The B.I.C. Limited was declared as sick company in 1992 and was referred to BIFR. The Government proposed a Rehabilitation Scheme for the company in 2000 and BIFR approved the revival of the two Woollen Mills - Cawnpore Woollen Mills Branch (Lalimli), Kanpur & New Egerton Woollen Mills Branch (Dhariwal), Punjab. The cost of the Scheme, which was approved by BIFR, was Rs. 210.51 crores in December 2002. Some of the obligations were fulfilled like providing funds Rs. 86.00 crores as envisaged in the scheme by GOI etc. The major factor of the scheme was sale of surplus land situated at Kanpur and Dhariwal could not be completed as no permission was granted by U.P. State Government for conversion of leasehold property into freehold property, hence, the scheme sanctioned by BIFR could not be implemented in full fledge. The BIFR reviewed the matter in its hearing 29.11.2005 and issued direction that the company should prepare modified Draft Rehabilitation Scheme in close consultation with the MOT. Accordingly, MRS was prepared and has been approved by BIFR in its hearing dated 14.02.2008. The Scheme is awaiting Cabinet approval.

CAPITAL STRUCTURE

The BIC Limited started with authorised share capital of Rs. 55.00 crores. It stands as on date Rs.31.71 crores after
CONVERTING GOVERNMENT LOAN OF RS.249.62 CRORES INTO EQUITY DERATED IT TO 10% AS PER DIRECTION OF BIFR.

CAPACITY

The capacity of the two Woollen Mills of BIC after modernization as sanctioned by BIFR is 20680 Worsted Spindles, 1920 Woollen Spindles, 79 Power Looms and 62 Handlooms.

PERFORMANCE DURING 2006-07, 2007-08 (AUDITED) AND 2008-09 (UNAUDITED)

FINANCIAL RESULTS

The net profit/cash loss for the years 2006-07, 2007-08 (audited), and 2008-09 (un-audited) of BIC Limited are given at table 12.5.

PRODUCTION

The production of cloth in BIC Mills during 2006-07, 2007-08 & 2008-09) is given at table 12.6.

Table 12.5

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Audited For the year 2006-07</th>
<th>Audited For the year 2007-08</th>
<th>Un-audited 2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Net Profit (+)/Loss (-)</td>
<td>(-) 1340</td>
<td>3127</td>
<td>- 2976</td>
</tr>
<tr>
<td>2.</td>
<td>Non-operative expenses</td>
<td>408.00</td>
<td>449.00</td>
<td>460.00</td>
</tr>
<tr>
<td></td>
<td>Govt. interest &amp; guarantee fee</td>
<td>89.00</td>
<td>58.00</td>
<td>48.00</td>
</tr>
<tr>
<td></td>
<td>Depreciation</td>
<td>10.00</td>
<td>0.00</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td>VRS</td>
<td>8.00</td>
<td>-5.00</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td>Provisions/ Taxes</td>
<td>5.00</td>
<td>53.00</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td>SUB TOTAL</td>
<td>520.00</td>
<td>555.00</td>
<td>508</td>
</tr>
<tr>
<td>3.</td>
<td>Total (=1+2)</td>
<td>(-) 820</td>
<td>3682</td>
<td>- 2468</td>
</tr>
<tr>
<td>4.</td>
<td>Non-operative Income</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td>Interest waived by Creditors</td>
<td>1258</td>
<td>4051</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Profit on sale of Assets</td>
<td>0.00</td>
<td>1800</td>
<td>1800</td>
</tr>
<tr>
<td></td>
<td>Provisions written back</td>
<td>3058</td>
<td>5851</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>SUB TOTAL</td>
<td>3878</td>
<td>(-2169)</td>
<td>- 2468</td>
</tr>
</tbody>
</table>

TURN OVER

The sale of cloth in BIC mills during the years 2006-07, 2007-08 (AUDITED) and 2008-09 (unaudited) is given at table 12.7.

EMPLOYMENT

As on 31st March 2009, employees in CWM Branch were 1298, NEWM Branch 1054 and in Corporate Office were 90.

HIGHLIGHTS OF REHABILITATION SCHEME APPROVED BY BIFR/GOI IN THE YEAR 2002

The above scheme, approved by BIFR in the year 2002, was to be implemented in 2 years i.e. by the end of March 2005 for both the Units of BIC Limited.

SALIENT FEATURE OF THE SCHEME

The Company had to get the financial support from GOI Rs. 86.00 crores out of which Rs. 37.00 crores as interest free
Table 12.6

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Cloth Lakh Mtrs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Actual for 2006-07 (Audited)</td>
<td>4.90</td>
</tr>
<tr>
<td>2.</td>
<td>Actual for 2007-08 (Audited)</td>
<td>0.70</td>
</tr>
<tr>
<td>3</td>
<td>Provisional 2008-09 (Provisional)</td>
<td>0.15</td>
</tr>
</tbody>
</table>

Table 12.7

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Particulars</th>
<th>(Rs. in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Actual for 2006-07 (Audited)</td>
<td>1297</td>
</tr>
<tr>
<td>2.</td>
<td>Actual for 2007-08 (Audited)</td>
<td>631</td>
</tr>
<tr>
<td>3.</td>
<td>Provisional for 2008-09</td>
<td>3.70</td>
</tr>
</tbody>
</table>

loan Rs. 49.00 crores as grant. Rs. 125 crores was to be generated from sale of surplus assets. Both the units had to be modernized by an investment of Rs. 46.00 crores by purchase of new machines and renovation of old existing machines which were of workable condition.

**REASON FOR DELAY IN IMPLEMENTATION OF SANCTIONED SCHEME**

The company had to repay the OTS amount of financial institutions (Rs.4.52 crores) and banks (Rs. 87.75 Crores) from sale proceeds of surplus land. The sale of surplus land started at Kanpur and Dhariwal. Some properties were sold; whereas in case other properties 25% advance money was received and 75% was to be received on handing over possession on execution of sale. U.P. State Government did not permit to convert leasehold property into freehold property. In such circumstances BIC Limited could not make the payment of SBI OTS amount in full nor could generate the funds for working capital.

**ACTION TAKEN BY THE COMPANY SO FAR**

a. The BIC Limited made the payment of statutory dues P.F. & E.S.I. (contribution & interest) and placed the request for waiver of damages of PF & ESI. The authorities of PF have granted the exemption of damages amounting to Rs. 8.62 crores. However the grant for exemption of damages of ESI amount to Rs. 2.35 crores is still to be obtained.

b. The company has allowed VRS to the employees 535 nos. identified as surplus and the expenditure of Rs. 17.50 crores incurred thereon.

c. BIC Limited has invested Rs.17.50 crores for renovation of old machines.

d. BIC Limited released the funds Rs. 92.25 crore from sale of assets amount upto March 2009.

e. BIC Limited made the payment of SBI amounting to Rs.87.75 against OTS amount Rs. 87.75 crores upto March, 2009.

f. BIC Limited made full payment of Financial Institutions (OTS amount) Rs. 4.52 crores

g. BIC Limited prepared and got approved a Modified Draft Rehabilitation Scheme from BIFR the means of finance, cost of scheme is given at table 12.8.
### Table 12.8

(Rs. in Crores)

<table>
<thead>
<tr>
<th>Means of Finance</th>
<th>Cost of Scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Conversion charges to be recd. from GOI.</td>
<td>47.35</td>
</tr>
<tr>
<td>2. VRS amount for 772 employees.</td>
<td>60.00</td>
</tr>
<tr>
<td>3. Receipt from sale of surplus assets.</td>
<td>115.93</td>
</tr>
<tr>
<td>4. Grant for salary &amp; wages Rs.50 crores for two years.</td>
<td>50.00</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>273.28</strong></td>
</tr>
</tbody>
</table>

### ACTION TAKEN BY THE COMPANY/GOI AS PER SANCTIONED SCHEME 2008

- Scheme approved by BIFR was submitted for Cabinet approval.

- Revival scheme of BIC Ltd. was discussed in Cabinet meeting held on 08.08.2008.

In the compliance of directions of Cabinet dated 08.08.2008, BIC has arranged another bridge loan of Rs.10.00 crore (in addition to bridge loan of Rs.5.00 crore earlier) from NTC. A non plan budgetary support of Rs.25.00 crore as loan to BIC Ltd. has been made paid in 2008-09.

### Subsidiaries of BIC Limited i.e. Elgin Mills Company Limited, Cawnpore Textile Mills Ltd. and Brushware Limited

**ELGIN MILLS LIMITED**

The Elgin Mills Company Limited was established in the year 1864 and it was registered in the year 1911 comprising 2 Units as Elgin No. 1 & Elgin No. 2. By an ordinance called the British India Corporation Limited (Acquisition of shares) Act 1981 the GOI acquired all shares of BIC Limited and thus became a Government company from 11th June 1981. The Elgin Mills Co. being subsidiary of Govt. Co. acquired the status of Govt. Company.
Due to continuous losses suffered by the company, a reference under the provision of SICA was made to BIFR on May 15, 1992. The BIFR declared the company as sick industrial company on November 3, 1992, and appointed Industrial Development Bank of India as an operating agency. The BIFR recommended wind up of the company vide its order-dated 29.03.1994. The said order was confirmed by AAIFR on 09.05.1997 and accordingly Hon'ble High Court Allahabad passed winding up order on 29.09.1999 and appointed Official Liquidator.

Against the aforesaid order the Textile Labour Union filed a special appeal before Division Bench of Hon'ble Bench granted stay of further action pursuant to winding up order. The said order was in operation upto August 18, 2000. Thereafter salary/wages of the employees of Elgin Mills was stopped by the GOI. On humanitarian ground GOI announced voluntary separation scheme (VSS) on June 2, 2001. Except 46 employees all have opted VSS.

On July 6, 2001, an application was filed by the Government for revival of mill and for seeking directions for the Official Liquidator to defer the taking over the assets of the mill until further order. The Hon'ble High Court vide order dated August 30, 2001, directed the Official Liquidator not to take possession of the Company. The Technical viability report prepared by NITRA was submitted to BIFR in June, 2003 the Govt. approved a Rehabilitation Package by identifying a suitable private party willing to become majority shareholder. The Rehabilitation package envisaged.

The Revival of Elgin Mill No. 2 (closure of Elgin Mills No. 1) as a total cost of Rs. 225.00 crores (approx.) including capital cost Rs. 56 crores:

1. Raising of resources for implementing the scheme through sale of surplus land and assets valued approx. at 216.70 crores (approx.).

2. One Time Settlement (OTS) with the secured Creditors through budgetary support of Rs. 80.01 crores.

3. Writing of interest on Govt. loan (Rs. 432.04 crore) and conversion of loan into equity (Rs. 298.31 crore) alongwith de-rating of equity by 10%.

Accordingly, a draft rehabilitation scheme was filed before BIFR, BIFR vide order dated August 10, 2006, rejected the proposal ex-parte and issued directions for change of management. A petition/appeal requesting BIFR to review its order dated August, 10, 2006 was filed before BIFR. The matter was heard on March 13, 2007 and BIFR observed that the company had been lying closed since 1994 and employed only 36 employees. The long period of closure indicated that the same was in the nature of a permanent closure. As such, the Company at the present moment could not be construed to be an industrial undertaking under the relevant provision of act. The bench, therefore, de-registered that reference filed by the Company.

In view of the above observation of the BIFR, the Govt. has decided to revive the company. As per BRPSE directions. NTC has prepared the revival plan of Elgin Mills no. 2, which has been approved by BRPSE and the scheme is awaiting consideration of Cabinet.

CAWNPORE TEXTILES LIMITED, KANPUR

Cawnpore Textile Mills Ltd. was incorporated in the 1920. The company was declared as sick company in 1992 and was referred to BIFR. On January 19, 1995, BIFR recommended winding up of the company and AAIFR confirmed...
winding up order on September 29, 1999. Hon'ble High Court of Allahabad passed order for winding up and appointed an Official Liquidator. The Govt. stopped the payment of salaries and wages to the employees from August, 2000. On humanitarian ground the Govt. implemented voluntary separation scheme on March 31, 2001. Except 4, all the employees opted VSS. The company is lying closed and the Official Liquidator has not taken possession of the Mills.

BRUSHWARE LIMITED

Brushware Ltd. was incorporated as Public Limited Company in the year 1893. The company engaged in manufacture of all types of brushes like Industrial, Domestic, Personal and paint brushes catering to the needs of the Defence, Railway, HAL, Sugar Mills, Textile Mills, and Roadways. Due to persistent loses, production was stopped w.e.f. March 1994 and presently the company is lying closed. To seek the permission for closure of the Company, the BIC Ltd. has approached the Ministry of Labour. The case was last heard in the Ministry of Labour on March 22, 2007. The Ministry of Labour vide order dated April 12, 2007 have granted permission for closure of the company. The company is under liquidation.

NATIONAL JUTE MANUFACTURES CORPORATION LIMITED

National Jute Manufactures Corporation Limited (NJMC) was incorporated in 1980. There are six nationalized jute mills (viz. National, Kinnison, Khardah, Alexandra, Union & RBHM) under its management of which five are located in and around Kolkata and one at Katihar, Bihar. NJMC is the only Public Sector Undertaking which was engaged in Jute goods manufacture. The Mills produced traditional jute goods like Hessian, Sacking, Jute Twine and also Carpet Backing Cloth (CBC).

Production, Productivity & performance

At the time of nationalization production of the mills under NJMC was around 1.10 Lac tons per annum, which went up to 1.33 Lac tons in the year 1985-86. However, there was continuous decline in production thereafter. Since the year 2004-05, 6 (Six) units of NJMC are not in operation due to disconnection of Power supply by CESC / BSEB for non-payment of their bills owing to working capital crunch. The trend of production, productivity & performance is given at table 12.9.

NJMC had been suffering cash loss since inception. In view of continuous cash loss and complete erosion of net worth, NJMC was referred to the Board for Industrial and Financial Reconstruction (BIFR) on August 11, 1992. Thereupon, BIFR declared the Company as sick under the provisions of Sick Industrial Companies (Special Provision) Act, 1985 (SICA). Time and again various revival proposals were submitted to BIFR which were turned down.

BIFR vide its order dated July 8, 2004, confirmed winding up of NJMC Ltd. in terms of Sec.20(1) of Sick Industrial Companies (Special Provision) Act, 1985 (SICA). BIFR forwarded the case to the Calcutta High Court for winding up of the company and appointment of official Liquidator.

On January 6, 2005, the Single Judge Bench passed the order for winding up of NJMC Ltd. and directed the official liquidator to take possession of assets of the company. Subsequently NJMC management preferred an appeal before the Division Bench of the Hon'ble High Court, Kolkata against above order dated Januar 6, 2005. The matter was heard by the Division Bench on February 7, 2005, and stay was granted which is presently operational. In the meantime,
NJMC Officer’s guild filed an appeal before the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) against the winding up order of BIFR.

The Cabinet in its meeting held on 24.03.2005 approved the following guidelines as a Plan of Action for the NJMC Ltd:

(i) To reduce the manpower of the NJMC Ltd. by offering VRS to all the employees (13,942) of the organization, including the employees of the Head Office.

(ii) To extend budgetary support to the extent of Rs. 978.00 crores for providing VRS, liquidating statutory arrears, gratuity, and secured liabilities of NJMC Ltd.

(iii) the mills at Kinnison and Khardah will be referred to the Board for Reconstruction of Public Sector Enterprises and VRS offered to their employees; and

(iv) VRS will be given to employees of other mills but these will be dealt under BIFR proceedings.

Accordingly, the scheme for revival of two mills (Kinnison & Khardah) was submitted to BRPSE. In addition, submissions were

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Table 12.9

<table>
<thead>
<tr>
<th>PHYSICAL</th>
<th>For the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production (in MT)</td>
<td></td>
</tr>
<tr>
<td>Prodn./day (MT)</td>
<td></td>
</tr>
<tr>
<td>FINANCIAL RESULTS:</td>
<td>Rs. in Lac</td>
</tr>
<tr>
<td>Sale Value of Production</td>
<td></td>
</tr>
<tr>
<td>Other Income</td>
<td>261</td>
</tr>
<tr>
<td>TOTAL</td>
<td>261</td>
</tr>
<tr>
<td>Cost of Production:</td>
<td></td>
</tr>
<tr>
<td>Jute Cost</td>
<td></td>
</tr>
<tr>
<td>Salaries &amp; Wages</td>
<td>11612</td>
</tr>
<tr>
<td>VRS Expenditure</td>
<td>--</td>
</tr>
<tr>
<td>Stores &amp; Spares</td>
<td>--</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>951</td>
</tr>
<tr>
<td>Interest (Excluding interest on GOI Loan)</td>
<td>3690</td>
</tr>
<tr>
<td>TOTAL COST</td>
<td>16253</td>
</tr>
<tr>
<td>Cash Loss (Excluding interest on GOI Loan &amp; extra ordinary item)</td>
<td>15992</td>
</tr>
<tr>
<td>GOI Loan Received</td>
<td>15802</td>
</tr>
</tbody>
</table>
made to AAIFR / High Court conveying the government's decision to revive the said two mills.

Based upon the proposal of revival prepared by the Ministry/NJMC in consultation with IDBI, the BRPSE has approved the revival plan of the NJMC with the following observations:

(a) The board approved the revival proposal (in respect) to the RBHM Mill in Katihar, with association of private partner as proposed by Ministry of Textiles.

(b) The Board also approved the proposal for revival of the Kinnison and Khardah Jute Mills as proposed by Ministry of Textiles. The Board also suggested induction of private partner in the revival.

AAIFR vide order dated 3.3.2008 has set aside the orders of BIFR and remanded the case to BIFR to consider the revival plan to be submitted by the Government.

As per the decision of the Cabinet, VRS was notified in all the mills. All the workmen have opted for VRS and have been released. The Secured liabilities of NJMC have also been liquidated. Most of the Statutory dues of NJMC have been settled as well.

The Government proposes to start implementing the revival plan of the NJMC in the year 2009-10.

**BIRDS JUTE & EXPORTS LTD.**

Birds Jute & Exports Ltd., a subsidiary of the National Jute Manufactures Corporation (NJMC) Ltd. is a processing unit in Jute/Cotton/Viscose & Blended Decorative Fabrics. The Company resumed production from April'88 after a virtual closure for a period of 8 years during which period the condition of plant and machinery immensely deteriorated resulting in higher/cost of production and low productivity.

Due to frequent break down of old and outdated machinery, production of the company was suspended again with effect from Oct'98. The production of the company was resumed in the month of August, 2001 after a long interval of about 3 years after repairing of major machinery and payment of electricity bills. However, the production in BJEL was again discontinued from October'2002.

The performance of BJEL during 2007-2008 in comparison to previous year is given at table 12.10.

Huge interest burden of unsecured loan from holding company and Govt. of India is a significant part of loss of current year. Moreover, nothing has been realized from production activity.

**Reference to BIFR**

The Company, being sick, was registered with Board for Industrial & Financial Reconstruction (BIFR). The BIFR vide order dated 08.07.2004 had confirmed winding up order of BJEL and has referred the matter to Hon'ble High Court of Kolkata. The Hon'ble High Court vide order dated 06.01.2005 directed that an Official Liquidator take possession of the assets of the company. Against the above order, BJEL Staff Association has filed an appeal in Division Bench of Hon'ble High Court, Kolkata. The orders of the single Bench dated 06.01.2005 have been stayed by the Division Bench on 17.02.2005 and continue till date.

Against the order of BIFR, BJEL Staff Association filed an appeal before the AAIFR. The AAIFR vide order dated 3.3.08 set aside the winding up order passed by BIFR and remitted the case back to BIFR. A revival plan for BJEL prepared by IDBI was approved by BRPSE.
in principle on 14.04.2008. In the hearing held on 7.8.2008, BIFR appointed IDBI as the Operating Agency and directed to submit its report within 2 months.

THE JUTE CORPORATION OF INDIA LTD. (JCI)

The Jute Corporation of India Ltd. (JCI), Kolkata is the Official Agency of the Government of India for implementing the policy of providing the Minimum Support Price to the jute growers and to serve as a stabilizing agency in the raw jute sector. However, when prices of raw jute rules above the minimum support level the JCI can undertake commercial operations. The JCI under the price Support Operations procures raw jute from the small and marginal farmers at the Minimum Support Price (MSP) fixed by the Government from time to time.

The price support operations undertaken by the corporation has been found to be the most effective measure to arrest intra-seasonal fluctuation in raw jute prices as it creates a notional buffer stock from siphoning of the excess supply of the market. The Corporation also undertakes commercial operation to generate profit. The Corporation has entered the field for marketing of non-traditional jute products in collaboration with the Jute Manufacturers Development Council (JMDC) through a Sales Emporium 'SONALI' at Kolkata. The Corporation provides service in the field of marketing research and acts as a decision-support-system in the field of agriculture marketing.

INFRASTRUCTURE

JCI has 171 purchase centres looked in 7 major jute growing States viz., West
Bengal, Assam, Meghalaya, Bihar, Orissa, Andhra Pradesh and Tripura. JCI associates co-operatives societies during MSP operations as agents of JCI. During the jute season of 2008-09 (July-June), JCI had procured around 1 lakh/bales of raw jute under its MSP operations which were less than that processed during last jute year mainly the prices were ruling higher than Minimum Support Price. The procurement during the jute season of 2007-08 (July-June) under MSP were 7.66 lakh bales (180 kg each).

**CENTRAL COTTAGE INDUSTRIES CORPORATION OF INDIA LTD., NEW DELHI DELHI (CCIC)**

The Central Cottage Industries Emporium was established in Delhi in the year 1952 under the management of Indian Cooperative Union and was later on taken over by Central Cottage Industries Association in 1964 and was incorporated as Central Cottage Industries Corporation of India Ltd. (CCIC) on February 4, 1976. CCIC is under the administrative control of Ministry of Textiles.

The main objective of CCIC is to be a dealer, exporter, manufacturer and agent of quality Indian handicrafts and handlooms and to develop markets for these products in India and abroad. The Corporation has five-showrooms viz. at Delhi, Kolkata, Mumbai, Bangalore, and Chennai. Besides, CCIC has two franchise outlets in Gurgaon and Patna and an overseas franchise showroom at Copenhagen, Denmark.

**Capital**

The authorized capital of the Corporation is Rs.1200 lakhs and the paid-up capital is Rs.1085 lakhs.

**Working Results**

**a) Turnover**

The turnover of the Corporation for the year 2008-09 was Rs.6854 lakhs (Prov.) as against Rs.8493.34 lakhs in the previous year i.e. 2007-08.

**b) Exports**

The total exports of the Corporation during 2008-09 were Rs.277 lakhs (prov.) as compared to Rs.342.48 lakhs in the previous year.

**c) Profitability**

The Gross Profit during the year 2008-09 decreased from Rs.3288.93 lakhs in the previous year to Rs.2861 Lakhs (prov.). The decrease in gross profit is due to decrease in turnover resulting from economic slowdown across the world and terrorist attack in Mumbai on 26.11.2008. The overheads of the Corporation increased by 4.7% from Rs.3140.26 lakhs in the previous year to Rs.3289 lakhs (prov.) in the current year. The year 2008-09 ended with a pre-tax profit of Rs.85 lakhs (prov.) as against corresponding profit of Rs.698.25 lakhs during the previous year.

**Statistics**

Summarized working results for the last three years are given at table 12.11.

**Development of Designs**

The Corporation continued emphasis on the development of new designs in Carved and Inlaid furniture, Traditional hand embroidery, Marble & Soapstone Crafts etc. through grant-in-aid projects from the Office of Development Commissioner (Handicrafts) New Delhi. Apart from these projects, CCIC is also working on new designs for Men's Wear, Women's Wear and Children's Wear for Summer and Winter collection. Theme based exhibition for handloom and handicraft departments. This helped the Corporation to promote sales and also enabled it to maintain its image in the field of handicrafts and handlooms.
Exhibitions

During the year 2008-09, CCIC organized many in-house thematic exhibitions, wherein new products were displayed by the Corporation to expand the patronage of Corporation.

Manpower Strength & Training

As on 31st March 2009 the Corporation had strength of 351 employees as compared to 361 in the previous year.

HANDICRAFTS AND HANDLOOMS EXPORTS CORPORATION OF INDIA LIMITED (HHEC)

The Handicrafts and Handlooms Exports Corporation of India Limited (HHEC) was set up in June 1962 with the twin objectives of (i) export promotion and (ii) trade development of handicraft and handloom products. HHEC is a two star export house engaged in exports of handicraft and handloom products (including hand knotted woolen carpets and ready-made garments) besides undertaking export of gold and silver jewellery/articles. HHEC, along with ten other agencies, was nominated in the year 1997-98 for import of bullion and sale in the domestic market. The paid up capital of the HHEC is Rs.13.82 Crore, which is fully subscribed by President of India. During the year 2008-09, the Corporation achieved a turnover of Rs. 1482.83 Crore (Prov.) as against Rs. 703.40 Crore in 2007-08. The main reason for increase in turnover is due to higher bullion imports. During the year 2008-09, it is expected that the Corporation will have a loss of Rs.1.20 Crore (Prov.) as against a loss of Rs. 7.09 Crore during 2007-08. The reduction in loss is due to recent business initiatives of HHEC.

Statistics

The performance of the Corporation in 2007-08 in relation to major indicators is given below:

<table>
<thead>
<tr>
<th></th>
<th>2006-07</th>
<th>2007-08</th>
<th>2008-09 (Prov.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover* - Retail</td>
<td>8220.63</td>
<td>7493.81</td>
<td>6854.00</td>
</tr>
<tr>
<td>- Bulk Orders</td>
<td>2298.96</td>
<td>999.53</td>
<td>Nil</td>
</tr>
<tr>
<td>Total</td>
<td>10519.59</td>
<td>8493.34</td>
<td>6854.00</td>
</tr>
<tr>
<td>Exports</td>
<td>511.09</td>
<td>342.48</td>
<td>277.00</td>
</tr>
<tr>
<td>Net Profit (+) / Loss (-) Before tax</td>
<td>22.18</td>
<td>698.25</td>
<td>85.00</td>
</tr>
<tr>
<td>Net Profit (+) / Loss (-) after tax</td>
<td>191.76</td>
<td>421.57</td>
<td>38.00</td>
</tr>
<tr>
<td>Dividend</td>
<td>38.35</td>
<td>217.00</td>
<td>5.00</td>
</tr>
</tbody>
</table>

* Includes exports also.

COTTON CORPORATION OF INDIA LTD. (CCI)

The role assigned to the CCI under the Textile Policy of June 1985 was:

- To under take price support
operations whenever the market prices of kapas touch the support prices announced by the government of India without any quantitative limit.

- To undertake commercial operations only at CCI’s own risk; and
- To purchase cotton to fulfill export quotas given to CCI

The above role of the CCI continued under the New Textile Policy of 2000. However, the last stated function no longer is relevant as export of cotton is now free and the Government is releasing no quotas. Nevertheless CCI purchases cotton even now to undertake export of cotton.

Besides the above role CCI has also been designated as the nodal agency for implementation of Mini Missions III and IV of the Technology Mission on Cotton for improvement and Development of Market Yards and Modernization of Ginning and Pressing factories and thereby improving the quality of cotton by reducing contamination of cotton and ensuring better prices to the growers.

In addition to the above the Ministry of Agriculture has also nominated the CCI as the implementing agency for undertaking Front Line Demonstrations under Mini Mission II of the TMC.

Under its developmental activities the CCI has been implementing the Contract Farming Project in all the cotton growing States.

PERFORMANCE OF THE COTTON CORPORATION OF INDIA

MSP operations

The Corporation continues to play an important role in ensuring remunerative prices to the cotton growers of the country in the wake of prevailing kapas prices touching the MSP level. However, as brought out earlier, during the year under review, the intensity of MSP operations was less and restricted for short period of 2½ months in the States of Andhra Pradesh and Orissa. The CCI had taken up MSP operations in these States and could purchase 11.88 lakh quintals of kapas equivalent to 2.25 lakh bales under MSP operations during the season.

Commercial operations

As per the role assigned, in the absence of MSP operations, the Corporation had been undertaking commercial operations to ensure competitive prices to the cotton farmers as also cater the needs of its regular clients. The salient features of the year under review had been that the prevailing kapas prices, throughout the season in most of the cotton growing States, had ruled above the MSP level. Hence, with a view to ensure competitive prices to the cotton farmers, the Corporation had undertaken commercial operations and purchased 37.14 lakh quintals of kapas equivalent to 7.65 lakh bales, constituting about 78% of the total purchases of 9.90 lakh bales during the season.

Domestic sales

The domestic sales undertaken by CCI during the financial year has been 12.70 lakh bales as against 12.46 lakh bales during the previous financial year.

Export Sales

Export sales for the financial year under review has been 1,38 lakh bales as against 3.06 lakh bales for the year 2006-07.

Developmental activities

With a view to promote and popularize the concept of Integrated Cotton Cultivation i.e. contract farming among the farming community, as well as providing benefits
to cotton farmers and buyer mills/ ultimate consumers, CCI has continued to promote Integrated Cotton Cultivation as a facilitator during the year 2007-08. CCI has also been identified as a nodal agency of the Ministry of Agriculture for implementation of the component of Front Line Demonstration (FLD) along with other Implementing agencies. The Corporation's involvement with FLD programme Mini Mission II of the TMC is continuing during 2008-09.

CCI also continues to be the Implementing agency for the Mini Mission III and IV of the Technology Mission on Cotton. (TMC.) During the year under review, under Mini Mission III, 28 market yards were taken up for development and the total project cost was Rs. 60.93 crores with TMC share of Rs. 33.37 crores. Similarly during the financial year under Mini Mission IV, 180 Ginning & Processing factories were taken up for modernization and the total project cost was Rs. 318.72 with TMC share of Rs. 42.32 crores. The target for the expenditure for the financial year 2007-08 had been achieved.

NATIONAL HANDLOOM DEVELOPMENT CORPORATION

National Handloom Development Corporation (NHDC) Ltd., Lucknow was set up in February, 1983 by the Government of India as an autonomous body under the Companies Act, 1956. The Authorized Capital of NHDC Ltd., is Rs.2000 lakh and its Paid up Capital is Rs.1900 lac. The main objectives of the Corporation are:-

- To carry on the business of all types of yarn for the benefit of the handloom sector.
- To organize supply of quality dyes and related materials needed by the handloom sector.
- To promote marketing of handloom fabrics.
- To aid, assist and implement the projects connected with the production of handloom fabrics including taking up modernization programme, technology for the handloom sector.

In pursuance of the above objectives, the Corporation is undertaking the following activities:

1. Mill Gate Price Scheme (MGPS) is an important scheme of the Government of India under which all types of yarn is supplied to the handloom weavers all over the country at the Mill Gate Price by the NHDC. The details of yarn supplied under the scheme during the last four years are given at table 12.12.

Under MGPS, NHDC is operating "Depot Scheme" of the Government of India, wherein, 536 depots have been made operational till 31st March, 2009.

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity (in lac kg.)</th>
<th>Value (Rs. in lac)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>220.859</td>
<td>22816.04</td>
</tr>
<tr>
<td>2006-07</td>
<td>437.210</td>
<td>38810.05</td>
</tr>
<tr>
<td>2007-08</td>
<td>678.210</td>
<td>56305.17</td>
</tr>
<tr>
<td>2008-09</td>
<td>855.050</td>
<td>79340.24</td>
</tr>
</tbody>
</table>
2. The corporation is also supplying quality dyes and chemicals to the handloom sector at competitive prices under the scheme. The details of supplies made during last four years by the NHDC are given at table 12.13.

3. In order to promote marketing of handloom fabrics, the corporation organizes special exhibitions like Silk Fabs & Wool Fabs. The Government of India reimburses the expenses incurred by the corporation in mounting these exhibitions. The details like number of exhibitions, participating agencies and total sales generated at these exhibitions during the last four years are given at table 12.14.

Besides corporation has set up 8 marketing complexes at Jaipur, Kolkata, Ahmedabad, Hyderabad, Kanpur, Indore, Navi Mumbai and New Delhi, where the handloom agencies from different parts of the country display and sell their handloom products to the discerned customers.

4. Corporation also undertakes the following programmes to disseminate to the weavers the latest technologies in the handloom sector and about the schemes being implemented by the Government of India for the development of the handloom sector and for the welfare of the weavers:

a) Appropriate Technology Exhibitions (ATEs)

b) Quality Dyeing Training Programme.

c) Sensitization programme on scheme of Office of DC (Handlooms).

The details like turnover, profit dividend issued rating etc of the Corporation during the last four years are given at table 12.15.

<table>
<thead>
<tr>
<th>Table 12.13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year</strong></td>
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<tr>
<td></td>
</tr>
<tr>
<td>2005-06</td>
</tr>
<tr>
<td>2006-07</td>
</tr>
<tr>
<td>2007-08</td>
</tr>
<tr>
<td>2008-09</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 12.14</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year</strong></td>
</tr>
<tr>
<td>2005-06</td>
</tr>
<tr>
<td>2006-07</td>
</tr>
<tr>
<td>2007-08</td>
</tr>
<tr>
<td>2008-09</td>
</tr>
</tbody>
</table>
### Table 12.15

(Rs. in lac)

<table>
<thead>
<tr>
<th>Year</th>
<th>Turnover</th>
<th>Net Profit</th>
<th>Dividend</th>
<th>MOU rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>25345.20</td>
<td>50.33</td>
<td>10.50</td>
<td>Very Good</td>
</tr>
<tr>
<td>2006-07</td>
<td>41716.25</td>
<td>103.90</td>
<td>21.00</td>
<td>Very Good</td>
</tr>
<tr>
<td>2007-08</td>
<td>58867.17</td>
<td>104.52</td>
<td>22.00</td>
<td>Very Good</td>
</tr>
<tr>
<td>2008-09(P)</td>
<td>82948.34</td>
<td>393.94</td>
<td>80.00</td>
<td>Excellent</td>
</tr>
</tbody>
</table>
CHAPTER XIII

TEXTILE RESEARCH ASSOCIATION (TRAs)
COTTON TEXTILE RESEARCH ASSOCIATIONS

There are eight Textile Research Associations (TRAs) receiving financial support from the Ministry of Textiles, of these the following are the Cotton Textile Research Associations (CTRAs)- Ahmedabad Textile Industry’s Research Association (ATIRA), Ahmedabad Bombay Textile Research Association (BTRA), Mumbai. South India Textile Research Association (SITRA), Coimbatore North India Textile Research Association (NITRA), Ghaziabad.

Like other TRAs, these TRAs are textiles industry promoted private bodies, set up and promoted by the textile industry of the respective region for carrying out research and providing them various services including consultancy, testing, training and research etc. Their main sources of earnings include government grants, subscriptions from member-mills, fees from the services etc. Since these have renowned industrialists as their elected Chairmen in overall in-charge of their functions, Government provides full autonomy in their functioning.

AHMEDABAD TEXTILE INDUSTRY’S RESEARCH ASSOCIATION (ATIRA)

ATIRA was established in 1947 by the textile industry of Ahmedabad. It has a membership of 100 textile and allied industrial units all over India. The major activities cover all aspects from Fiber to finished fabrics and cater to the needs of the textile and allied industry in the organized and decentralized sector both to its member and non-member units across the country and abroad.

Testing Services

Testing is one of the major services of ATIRA to the industry. It spans from physical and chemical testing of textile material of all kinds to testing of Water, Waste Water as well as Flue Gas, Process Gas, Solid Waste including Environment Audit Samples, Ambient Air Samples, Noise Samples, machine accessories, and calibration. ATIRA has set up the following new laboratories and have started functioning:

1. Micro-biological testing
2. Medical textiles testing
3. Eco-testing
4. Garment testing
5. Heat & Flame protective textiles testing
6. High visibility warning cloth testing

The testing services are widely utilized by textile and allied industries across the country and across the textile sectors and the number of samples for testing are on the ever increasing trend.

Educational and Training

- ATIRA has pioneered in starting an educational course on Ginning Technology, one of its kind and two batches of Diploma course were successfully completed.
• Three Months Certificate Course for Fresh Powerloom Weavers for Non-auto, Auto and Shuttleless Looms was conducted to fill-up the gap in availability of workers for the Powerloom Industry. Two such courses were conducted for the period of three months and 54 weavers for Shuttleless looms were trained.

• First batch of 15 days course on Textile wet processing was successfully completed.

• Ginning owners, operators training was conducted with the participation of 380 across the ginning units from four states.

• In the Training Programs for Upgrading & Refreshing the Technical and Others Skills of Weavers, Jobbers and Owners of Powerloom Units, 1,537 Weavers, Jobbers and Owners were trained. This exposure has resulted in reduction in absenteeism and increase in production by 5 - 7%.

• In the Skill Development Training Programme through Science & Technology (DST) training was provided in two areas of Computer Aided Designing for Textiles, "CAD for Wovens" and "CAD for Prints" to 122 participants from the industry. Besides, 26 training programs on different areas of CAD for textiles were conducted with a participation of 44 persons.

**Seminar and conference**

• Awareness cum Demonstration Program on Automatic Garment Cutting Machine was organized at ATIRA. Around 40 people from 32 garment industries attended the program. Live demonstration of the machine was made and the participants had shown keen interest as they put forwarded several suggestions.

• The Golden Jubilee Joint Technological Conference was jointly organized by TRAs in March, 2009 at ATIRA. In all 30 research papers in the field of textile were presented and deliberated in two days on topic dealing with Ginning, Spinning, Weaving, Chemical Processing, Technical Textiles and Quality Control. Renowned technologists from India and Countries like USA, UK, Switzerland, Germany, China and Turkey presented technical papers in their respective fields. 700 delegates attended this conference.

• An international workshop on protective textiles was organized in March 2008. About 30 industrialists and professionals attended it.

• A seminar on Intellectual Property protection of kutch shawl through GI Act was organized by ATIRA in association with Indian Merchants Chamber (IMC), Mumbai, Ministry of Commerce & Industry, Government of India, United Nations Conference on Trade and Development (UNCTAD) Geneva, and KHAMIR, Kachchh at Bhuj in October 2008. NGOs, weavers associations, academic and government institutions have attended it.

• An international interactive program on cotton was conducted in ATIRA in November 2008 under the auspicious of International cotton Advisory council. ATIRA, cotton Association of India, GUJCOT, Gujarat cotton Ginners Association. Delegates from 11 countries attended
Projects

ATIRA Projects

1. To Develop Mechanism for Eliminating Fibre Lapping on Rollers on Ring Frame

2. Development of Electronic Scientific Balance-cum-Recorder of Test Data on Comber Noil Extraction

Projects Sponsored by Government of Gujarat

1. A 3-month Skill Development Course for Fresh Powerloom Weavers and Jobbers for Non-Auto and Shuttleless Looms.

2. Setting-up of ATIRA Geo-synthetics Testing Laboratory.

3. Training & Awareness Programme in Technical Textiles

4. To Develop Mechanism for Eliminating Fibre Lapping on Rollers on Ring Frame

5. Elimination of Longer Fibres into Comber Noil by Improving Alignment of Fibres at Carding and Combing


Projects Sponsored by Industry

1. Ring Frame Development, M/s Unity Engineers, Baroda

2. Improving Performance

Characteristics of Forming Fabrics for Paper Making Machines by Use of Multilayer Weaves within the Gaps available among with current Patents, M/s Wires & Fabrics, Jaipur

3. GI Registration for Kutch Shawl, Indian Merchants' Chamber, Mumbai


Projects Sponsored by Ministry of Textiles

1. Census of TEI Units (By Textiles Committee)

2. Centre of Excellence in Geo-textiles (By MOT)

BOMBAY TEXTILE RESEARCH ASSOCIATION (BTRA), MUMBAI

The Bombay Textile Research Association (BTRA) was set up in the year 1954 as an autonomous Co-operative Research Association. BTRA is a premier institute for R & D in Textiles and allied Sciences. BTRA is registered as a ‘Society’ under Societies Registration Act, XXI 1860. The aim of the organisation is to provide day-to-day technological inputs to the industry and meet the Science & Technological objectives set up at the national level. The Institute also provides solutions to various technical and techno-economical problems faced by the industry in a cost effective and stipulated time frame. BTRA involves in textile consultancy, testing, training and research activities.

Testing and other services

BTRA Test Laboratories are accredited by NABL as per ISO/IEC-17025:2005
standards. BTRA Test Laboratories are well equipped to carry out complete range of textile testing such as (i) Physical / chemical properties - fibre, yarn, fabric [made with natural and man-made fibres and woven / nonwoven / knitted fabrics] and allied products, chemicals/dyestuffs, etc. (ii) Microbiological properties (iii) Geotextiles / Technical textiles / composites testing / Nonwovens (iv) Polymer properties - certain unique & special test facilities (v) Eco-testing and many more. BTRA Test Laboratories tested 16168 samples during 2008-09.

BTRA has undertaken extensive liaison and consultancy services to solve problems of quality, maintenance, productivity, water / energy conservation, etc., at various levels. Also special studies [such as techno-economic viability, valuation of fixed assets, vetting out revival proposals, equipment verification, etc.] for the mills are undertaken.

- BTRA is recognised (based on earlier experience, expertise and facility) and funded as a Centre of Excellence for Geotech.

- A new geosynthetics test laboratory was inaugurated. The new laboratory have testing facilities for geosynthetic products like Geotextiles, Geomembranes, Geocomposites, Gabions, Geosynthetic Clay Liner, Geogrids, Prefabricated Vertical Drain etc. Also, BTRA is strengthening its information resources on Geotech by procuring various books and test methods.

Seminars & Conference

- BTRA has organised three seminars during 2008-09 viz., (i) 'Nonwoven Technical Textiles' jointly with the Office of the Textile Commissioner (ii) 'Registration Evaluation Authorisation of Chemicals' [REACH] and (iii) 'Engineered Textiles for Geotextile Applications' jointly with the Office of the Textile Commissioner.

- The 50th Joint Technological Conference was jointly organised by ATIRA, SITRA, NITRA and BTRA on 4th and 5th March, 2009 at ATIRA, Ahmedabad. BTRA staff presented the following research papers at this conference.
  - Durable antimicrobial finish for cotton fabric from plant materials
  - Modification of antistatic properties of industrial textiles
  - System Effectiveness in Cotton Ginning Process

Research & Development

- In the emerging area of plasma technology, BTRA is working on a new sponsored project viz., 'Plasma Technology for Textile Processing'.

- Nano science is another frontier area BTRA is working on. Effect of microwave radiation on polyester fabric was studied with respect to dyeing behaviour, in the project on 'Modification of synthetic fibres [PP & PET] with Nonoparticles and Microwave Radiations to improve their properties and utility'.

- Under a project on 'Eco-friendly and user-friendly machines for hank processing cottage industry', a survey was conducted at different places of Maharashtra such as Malegaon, Ichalkaranji, Madhavnagar and Solapur, to have a wide view of the requirements of cottage industry.

- Under a project on 'Eco-friendly chemical processes for functional finishing of textile fabrics', studies were made with herbal extracts.
● The 'Studies in finishing process to enhance the antistatic properties of textile materials', with polymers like Polyaniline & Polypyrrole on polyester fabric and yarn has been studied.

● In the field of nonwovens, BTRA has processed many non-woven samples for the industry at its pilot plant from various fibre types such as viscose, polyester, silk, jute, polypropylene, co-polymer, etc.

Training Programmes

● BTRA has conducted several training programmes at various units covering subjects such as ISO-17025 laboratory management systems, ISO 9001 quality management systems, maintenance of weaving machines, Quality Control & Testing of Technical Textiles, Process control in chemical processing and utility saving, Dyes, chemicals and auxiliaries with special reference to chemical processing of textiles, etc. Also, BTRA trained few personnel in Colour fastness testing, Physical and chemical testing, Chemical testing of fabrics and auxiliaries, Chemical processing and testing.

THE SOUTH INDIA TEXTILE RESEARCH ASSOCIATION (SITRA)

SITRA has around 250 member mills having 292 units throughout India. In addition, 45 small units registered as technical service card holders. Around 90% of the member mills utilized one or more SITRA Services.

Testing

SITRA Laboratories are accredited for ISO-17025:2005 by NABL. Though there was some reduction in number of tests due to recession in textile industry, SITRA laboratories could receive 54,215 samples for testing. This includes Physical testing and chemical testing.

Training

SITRA conducted following training programmes:

a. Cost control in Spinning Mills at Salem, Madurai (Tamil Nadu), Kolhapur (Maharashtra) and Kalvakurthy and Hindupur (Andhra Pradesh). Total 175 candidates attended the programmes.

b. Mechanism and maintenance of High Production Looms

c. International training programme (2 months) sponsored by Ministry of External Affairs, Government of India: 22 candidates from 11 countries attended.

Pre-employment and other programmes were conducted for Spinning, weaving and knitting machine operators and fitters. Around 900 Personal were trained.

Seminars

SITRA Organised Following Seminars:

1) Seminar on woven and knitted technical Textile, Along with office of the Textile Commissioner, SIMA and development council for Growth & Export promotion of technical textiles at SITRA in which 237 registered delegates attended.

2) Seminar on knitted fabrics for garment industry at TEA Hall, Tirpur in which 60 delegates attended.

Consultancy

SITRA provides consultancy to industry and it accomplished for consultancy works for 81 times during 2008-09. The consultancy services include techno-economic viability study, maintenance audit, quality audit, scientific work assignment study etc.
Table 13.1

Research projects undertaken by SITRA

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the projects</th>
<th>Sponsor</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Manufacture of different jute and jute blended yarn fabrics (furnishing &amp; upholstery) for homes textiles/secondary apparels and other jute diversified products</td>
<td>Jute Manufactures Development Council</td>
<td>Ongoing</td>
</tr>
<tr>
<td>2.</td>
<td>Application of functional chemical finishes for improving the functional properties of jute based technical textiles</td>
<td>Jute Manufactures Development Council</td>
<td>Ongoing</td>
</tr>
<tr>
<td>3.</td>
<td>Study for setting up of standards and norms for designated consumers in textile industry</td>
<td>Bureau of Energy Efficiency</td>
<td>Completed</td>
</tr>
<tr>
<td>4.</td>
<td>Development of new textile effluent treatment technology towards zero sludge</td>
<td>Ministry of Science &amp; Technology</td>
<td>Ongoing</td>
</tr>
<tr>
<td>5.</td>
<td>Design and Development of Hernia Mesh</td>
<td>Ministry of Textiles</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

Publications

SITRA scientists published 25 scientific and techno-economic articles in various national journals.

NORTHERN INDIA TEXTILE RESEARCH ASSOCIATION (NITRA)

Northern India Textile Research Association (NITRA) was established in 1975 for conducting and promoting fundamental & applied research and provide other support services to strengthen the Indian textile, garment and allied industries.

NITRA's prime activities include research & development, technical consultancy, quality evaluation of Textile, Chemicals, Dyes, Effluents, Leather and Plastic and Manpower training.

Testing Services

NITRA has five NABL (ISO/IEC 17025:2005) accredited quality control laboratories i.e. Physical lab, Chemical lab, Env lab, Eco lab and Polymer & Technical Textile lab, capable of quality evaluation as per IS, ASTM, DIM, BS, ISO, JASO, AATCC, EM and other customized standards. It offers a wide range of testing facilities for fibre, yarn, fabric, dyes, chemicals and effluents.

Number of samples tested in each lab during the year 2008-09.

(i) Physical quality evaluation lab - 3625 samples
(ii) Chemical Evaluation lab - 1680 samples
(iii) Eco lab - 92 samples
(iv) Env lab - 105 samples
(v) PTTD lab - 825 samples

Apart from this, labs also carried out 56 samples for fabric defect analysis.
Educational Activities

NITRA offered a number of techno-management job oriented programs (regular and distance learning) for young graduates and under graduates aspiring to make their career in the textile and garment industry. These programs cater to needs of all categories of personnel that is middle level managers, officers, supervisors, staff including operators.

- Textile Technology & Management (TTM)
- Garment Technology & Management (GTM)
- Apparel Design & Quality Control (ADQC)
- Textile Design & Quality Control (TDQC)
- Apparel Merchandising & Export-Import Management (AMEIM)
- Garment Dyeing, Drycleaning & Finishing Technology (GDDFT)
- Apparel Machine Engineering & Maintenance (AMEM)
- Sewing Machine Operation (SMO)
- Textile Technology & Management (TTM-DLP)
- Garment Technology & Management (GTM-DLP)
- Apparel Merchandising & Export-Import Management (AMEIM-DLP)
- Quality Evaluation of Textiles & Garments (QETG)
- Industrial Environment Technology & Management (IETM)
- Textile Technology & Management (TTM-DLP)

An optional program "Industrial Environment Technology & Management (IETM), introduced in the year 2008-09, is offered to the candidates who are admitted in TTM, GTM or TDQC regular programs.

A new program DOEACC "O" level computer course was also launched in 2008-09.

Training Programmes/Seminars/Conferences/Workshops

During the year 2008-09, NITRA conducted 9 training programmes/ seminars/ conferences/workshops. The names of the programmes are:

- Training Programme for "Utilities Operatives & Supervisors on Energy Conservation & Management"
- Training program on "Treatment and Analysis of Textile Effluent" for P.G.M. students
- Certificate program on "Environment Technology and Management"
- Training programme conducted on "Chemical Quality Control"
- Training programme conducted on "Analysis of Various Testing Parameters"
- Training programme conducted on "Analysis of Chemical and Physical Parameters of Textile Materials:
- Training programme conducted on "Intership Training to Investigate Effect of Various Dyeing Processes on Effluent Characteristics"
- In-plant training program for Checker's of Spinning & Post-Spinning Section
- Training programme in computer Application

R&D projects sanctioned/status/completed

The basic aim for NITRA's research and development activities is to help the
industry. Following are the R&D projects which are sanctioned, on-going and completed.

Sanctioned project

● Project on "Inter-firm Comparison of Energy Usage Performance in Export Oriented Textile Mills" sponsored by Ministry of Textiles.

On-going projects

● Project on "Inter-firm Comparison of Energy Usage Performance in Export Oriented Textile Mills"
● Development of Smoke Visibility test apparatus as per UIC Code 564-2
● Development of Toxicity tester as per NCD 1409
● Dyeing of polyester using indigo dye
● Alternative chemicals for oil repellency test
● Alternative method to evaluate mercerization
● Ultrasonic cleaning of printing screen
● Ultrasonic Cleaning of Garment

Completed projects

● Performance assessment trials of mainly developed energy efficient PV spindle tapes (Sponsored by Elgi Industries Ltd).
● Energy Efficient Improvement in Steel Re-rolling Mills (Sponsored by UNDP)
● Project on compilation of list of designated consumers in textile industry was sponsored by Bureau of Energy Efficiency
● Project on "Energy Usage Norms for Designated Consumers in Textile Industry was sponsored by Bureau of Energy Efficiency"

Centre of Excellence on Protech

Northern India Textile Research Association (NITRA) and Indian Institute of Technology, New Delhi as lead partner were designated to set up Centre of Excellence for Protective Textiles.

The basic objective of setting up of Centre of Excellence for Protective Textiles is to provide infrastructure support comprising of following facilities at one place for the convenience of the manufacturers of protech segment of technical textiles.

THE SYNTHETIC AND ART SILK MILL’S RESEARCH ASSOCIATION (SASMIRA), MUMBAI

The Synthetic & Art Silk Mills’ Research Association (SASMIRA) is a co-operative venture set up by the man-made textile industry of India after independence as a multi-functional institute to serve its scientific and technological needs. SASMIRA is engaged in multifarious activities with the prime objective of rendering scientific & technical assistance to the textile industry, thereby assisting its growth and development.

CENTRE OF EXCELLENCE (COE)

In view of the growth and need of Technical Textiles in India, Government of India, decided to setup Centres of Excellences (COEs). Accordingly, through the process of evaluation by Project Appraisal committee and based on competence in the field, SASMIRA has been designated as lead agency for Centre of Excellence (COE) for Agrotextiles in association with Man-made Textile Research Association (MANTRA), Surat with Navsari Agricultural University (NAU), Navsari, and IIT, Delhi as knowledge partner.

An MOU has been signed between the
lead COE partner SASMIRA and the Office of the Textile Commissioner stating the role of both the partners. Subsequently an MOU is being finalised between the participating agencies of COE viz. SASMIRA, MANTRA, NAU and Dept. of Textile Technology, IIT, New Delhi. Purchase order has been placed for the Phase-I of equipment under COE. The setting up of Information Centre under COE has been initiated. The vision and mission of COE would be achieved through the facilities and infrastructure, viz., Demonstration pilot plant facility for Agrotextiles, Accredited Testing and evaluation facility for Agrotextiles, Information centre for Agrotextiles and Training Centre for Agrotextiles.

TESTING SERVICES

An important activity of SASMIRA is testing and technical services. SASMIRA has fully equipped laboratories to carry out testing, evaluation and investigation of a variety of textile and allied materials, with specialised services for technical textiles. SASMIRA laboratory are Accredited by National Accreditation Board for Testing and Calibration Laboratory (NABL) as per ISO/IEC 17025 - 2005 specifications. The laboratory also gives technical service and consultancy to the industry to overcome problems arising during production and usage of various products.

SASMIRA’S EDUCATIONAL ACTIVITIES

SASMIRA's education programme conducts regular Diploma and Certificate courses in many disciplines, e.g. Apparel Merchandising, Man-made Textile Technology, Textile Chemistry, Knitting Technology, Fashion and Apparel Design Technology, weaving, wet-processing, Merchandizing & Retail Management. In addition to the regular courses on textile technology, wet processing, knitting technology etc. Tailor-made training courses are also undertaken as per needs of particular segments of industry in collaboration with them.

SEMINARS AND CONFERENCES

Workshop on Medical textile and Automotive textiles organised jointly with FICCI (Federation of Indian Chamber of Commerce and Industries), was held in May 2007 and August 2007 respectively.

A Seminar on Agrotextiles- Emerging opportunities jointly organised by The office of Textiles Commissioner and SASMIRA in association with FICCI (WRC), at Hotel Intercontinental- The Grand, Sahar Airport, Andheri was conducted on 1st October 2008 under the awareness programme on Agrotextiles.

SASMIRA participated in the Fibres and Yarns 2008 exhibition held in World Trade Centre during 24th to 26th April 2008. SASMIRA had set up stall in the Exhibition. It included displaying all latest instruments developed, SASMIRA courses, product and process developed, Testing and technical services etc.

RESEARCH & DEVELOPMENT

SASMIRA is engaged in various research and development projects in man-made textiles for apparel, industrial and defense applications to meet the changing needs of the man-made textile industry. Currently, SASMIRA is engaged in the implementation of six projects sponsored by the Ministry of Textiles:

- "Development of Durable, Breathable and Barrier Work wear Fabrics for Agrotextiles Applications"
- "Development of Speciality Fabric for Water conservation and Soil Erosion Control used in Horticulture Application"
- "Indigenous Development of Ultrasonic Device(S) for Maintenance of Weaving Accessories"
SASMIRA has completed two projects sponsored by the Ministry of Textiles:

- “Zero effluent in the wet processing units”
- “Development of geo-textile for pavement overlay”

MAN-MADE TEXTILES RESEARCH ASSOCIATION (MANTRA), SURAT GUJARAT

The Man-Made Textiles Research Association (MANTRA), Surat is the only Textile Research Association serving the man-made textile industry (decentralized small scale) and is registered under the Societies Act of Gujarat. MANTRA has been in the forefront in the R&D activities related to man-made fibre textiles.

The main objectives of the Association is to carry out research and development and to render other consultancy services to the local, decentralized textile weaving, texturing and processing industry on various aspects of the textile technology with a view to improving the quality of fabrics, reducing cost and bringing about better utilization of raw materials. The projects undertaken were of considerable importance and the studies made by the Association have substantially helped to improve the quality and productivity of the textile industry.

During the period 2007-08, MANTRA was engaged in carrying out R&D work on the following sponsored projects:

- Development of anti-allergenic protective clothing for use in bed sheets, pillows and mattress casing (sanctioned in 2006) (On-going).
- To phase out Carbon Tetrachloride (CTC) from the decentralized man made textile processing sector (sanctioned in 2006 by Government of Gujarat) (Project completed).
- Improvement in chemical processing technology of modified rayon (filament) and modal fibre fabrics and enhance the realization of entire value chain (sanctioned in 2006) (On-going).

During the current financial year 2008-09, following new projects were also sanctioned by the Ministry of Textiles, Government of India:

- Development of a commercial quality greenhouse shade cloth for low cost poly-house for controlled crop production.
- Application of suitable cost effective technology for reuse of water jet effluent.
- Smart fabric/garment products with smart colours for security labelling.

MANTRA has developed a stain remover product based on the outcome of ‘CTC project’ completed recently. MANTRA is actively considering to commercialise this product through suitable agency. In this connection MANTRA has also approached GTZ-PROKLIMA, the implementing agency appointed by Govt. of India for
phasing out CTC from textile and metal sectors. They have asked for samples of MANTRA product. The agency is evaluating the product developed by MANTRA. They will publish the detail of MANTRA product on their website after required testing, etc.

MANTRA's dissemination of information activities area found to be quite useful to the industry. A half day seminar on 'Coating & Lamination Technology' was organized on 17.08.07. Further, All India Seminar on Medical Textiles: Production Technologies & Applications was organized by MANTRA in collaboration with The Institute of Engineers & Sarvajanik College of Engineering & Technology (SCET), Surat on 5-6 October, 2007. Further Dr.S.K. Basu presented a paper on Conversion of nonwoven roll goods to hygiene and medical products in seminar organized by South Gujarat Chamber of Commerce & Industry (SGCCI) at Udyog - 07, Surat.

MANTRA has been designated as Centre of Excellence in Technical Textiles by the Government of Gujarat and Centre of Excellence in Agrotech by Government of India along with Navsari Agricultural University (NAU), Navsari, and IIT Delhi as knowledge partner. These Centres of Excellences will be providing state-of-the-art facilities for Testing, R&D, quality appraisal, product development (pilot plant) & HRD and one window information centre in technical textiles in non-woven, knitted and coated/laminating and Agrotech products development. This will help parallel growth of textile as well as technical textile industry in India in general and South Gujarat in particular.

Indian Jute Industries Research Association (IJIRA), Kolkata

The Indian Jute Industries Research Association (IJIRA), Kolkata, registered under West Bengal Societies Registration Act, 1961, is an autonomous Co-operative Research Organization promoted by Indian Jute Mills Association. The Ministry of Textiles supports IJIRA through grants and projects.

Objectives of IJIRA are:

(i) To promote Research and other scientific work concerned with the jute trade and industries allied with or accessory thereto;

(ii) To establish and maintain laboratories and faster education of persons engaged in or likely to be engaged in the said trade and industry;

(iii) To examine and publish information regarding the nature and merits of inventions, improvements materials and designs connected with the said traders of industries.

The R&D activities and technology transfer programme of IJIRA have helped to improve the productivity, product quality and cost viability of the organized jute mills and also the SMEs in the jute sector.

IJIRA has been maintaining Regional Centres at Shantipur (West Bengal), Guwahati (Assam) and Vizianagram (Andhra Pradesh) for strengthening the locally growing jute related activities.

IJIRA website is www.ijira.org

WOOL RESEARCH ASSOCIATION, THANE

The Wool Research Association, Thane has been set up under the Societies Registration Act, 1860 in October 1963. It supports Indian Woollen Industry through Research and Development, Special Training Programmes, Educational Activities, hosting of Foreign Delegations, Workshops and preparation and presentations of technical papers at the International forums.
Wool Research Association at present is organised under the following five departments namely:-

i) Physical Test House
ii) Chemical Test House
iii) Textile Technology Department and Pilot Plant.
iv) Computer Aided Textile Designing and Colour Research Laboratory
v) Eco-testing Laboratory

**Activities**

1) Mechanical processing of wool and woollen blends on woollen spinning system.

2) Processing of Jute, Wool and Synthetic Fibres on Friction Spinning (DREF-II).

3) Development of elastomeric friction spun yarn and fancy yarn on DREF-II friction spinning machine.

4) Development of Economic Friction Spun Multi-component yarn for high-tech (Industrial Fabric) Textiles.


6) Computer Applications in Colour Matching and Quality Control, woven printed designs, grading and blending.

7) Carpet designing, weaving and finishing.

8) Natural and synthetic dyeing and finishing of wool and woollen blends.

9) Physical and chemical testing from fibre to fabric.

10) Eco-testing of textiles

11) Project Proposals, Feasibility reports related to above activities.

**Sponsored Projects by Ministry of Textiles:**

**1. On-going projects**

Project I : To synthesize wool dyes with moth proofing properties.

Project II : To improve processing performance of finer Indian wools and their product range with incorporation of Enzyme technology for better value addition (with special reference to early stage processing).

Project III : To develop itch-free woollens to be worn next to the skin by improvement of surface topography of wool fibres with the mechanical / chemical processing and plasma technology.

Project IV : Ultra sound assisted scouring and smooth finishing of wool & other speciality animal fibres and their products.

Project V : Design and Development of Interior Textiles with special emphasis on heat resistance and flame retardancy

Project VI : To develop ecological friendly moth repellent and moth roofing agent for woollen textiles for easy care.

**2. Projects completed:**

Project I : Optimise processing parameters for Eri silk / wool yarns on worsted system to develop value added products.
Project II: Develop suitable machinery for spinning of Eri silk and its blends for cottage industry

Project III: R & D on value addition to Deccani wool

3. PARTICIPATION IN WORKSHOPS / SEMINARS BY WRA

- Shri. M.K. Bardhan, Director WRA presented a paper titled "Advantage and disadvantage - Growth of technical textiles in India" in the 9th International & 63rd All India Textile Conference held on 5,6th January, 2008 at Ahmedabad.

- Shri. M.K. Bardhan, Director WRA attended the IWTO International Conference held at Beijing, China from 13th to 16th April, 2008. He also presented a paper titled "Wool in Interior Textiles - Indian Perspective"

4. INDUSTRIAL CONSULTANCY

Following consultancy services were offered by WRA:

a. The J&K Sheep & Sheep Products Development Board for establishment of Industrial Service Centre at Nowshera, Srinagar. Service centre is set, equipments procured and necessary training to the personnel is being imparted at WRA Lab, Thane in January, 2009.

b. Consultancy to various agencies on behalf of Central Wool Development Board

- WRA is a Consulting member on the Project Committee of CWDB for examining proposals and to

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the Participating Entrepreneurs</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Shikhar HL &amp; HC Weavers Welfare Roduction-cum-Sale Co-Operative Society Ltd., Brow, P.O.-Rampur Bushar, Distt.Kullu</td>
<td>To establish Common Facility Centres (CFC) for Woollen Yarn Spinning and Handloom Processing unit (45 kg./shift)</td>
</tr>
<tr>
<td>2.</td>
<td>H.P. State Co-operative Wool &amp; Marketing Federation Ltd., Shimla</td>
<td>Loose Wool Carbonizing (1000 kg./day)</td>
</tr>
<tr>
<td>3.</td>
<td>Maha Dev Woollen Mills, VPO Mahadev, Distt. Mandi</td>
<td>Processing of scoured wool into wool tops and spinning yarn (Combing 140 kg/day spinning - 2500/month)</td>
</tr>
<tr>
<td>4.</td>
<td>The Monika Handloom Workshop Co-Operative Ind. Society Ltd., Ludhiana</td>
<td>Wool Processing &amp; Yarn spinning unit (100 kg./day)</td>
</tr>
<tr>
<td>5.</td>
<td>Bhawani Wool Tex Pvt. Ltd. Bikaner</td>
<td>Wool processing and production of carpet wool yarn (25000 kg/month)</td>
</tr>
<tr>
<td>6.</td>
<td>Bikaner Vishudh Khadi Gramodyog Sansthan, Bikaner</td>
<td>Wool Scouring plant &amp; yarn Dyeing unit (Scouring-6000 kg, Dyeing-350 kg)</td>
</tr>
<tr>
<td>7.</td>
<td>Mahila Mandal Barmer Agora, Indira Colony, Barner</td>
<td>Wool scouring, combing &amp; spinning unit for processing of wool into wool tops and spinning of yarn. (1000 kg./day)</td>
</tr>
</tbody>
</table>
recommending for establishment of common facility centre in major wool growing/processing clusters in different States of the country. Under the said scheme, the following proposals have been cleared for implementation with financial Grant-in-Aid of 50% of the total cost of project in each case, to the extent of a maximum amount of Rs. 50.00 lakhs for purchase and installation of requisite processing machinery.

5. EDUCATIONAL / TRAINING ACTIVITIES

The transfer of R&D findings and the transfer of adopted technology to the various entrepreneurs and the related industries are covered under HRD Programme / Training Programme. We offer the training programme at WRA and also at the required site.

WRA conducts following certificate level courses:

2. Ecological & Instrumental Chemical Analysis (Part time / Full Time).

Training Programmes:

WRA conducted one week training on "Worsted and Woollen Spinning Systems" for the two participants from Government College of Engineering, Serampore, Calcutta during 10th March to 16th March, 2008.

6. Achievements / Accreditation

a) NABL

The Quality Test House has successfully completed the Surveillance Audit and is accredited by NABL for Mechanical & Chemical testing as per 17025 vide certification numbers are T - 1225 & T - 1224. The Laboratory was already accredited for ISO 9001 - 2000 since 2000.

TEXTILES COMMITTEE

The Textiles Committee, established by the Textiles Committee Act, 1963, has the primary objective of ensuring quality of textiles both for internal marketing and exports. Its functions include promotion of quality of textiles and textile exports, research in the technical and economic fields, establishing standards for textiles and textile machinery, setting up of laboratories, data collection etc. The Committee's has its Head quarters at Mumbai with 30 Regional Offices, 17 of them with laboratories, including 9 having eco testing facilities.

PERFORMANCE DURING 2008-09

Textiles Testing Services: During the year 2008-09, all the 17 laboratories of Textiles Committee together registered revenue of Rs. 5.17 Crore till November'2008. The anticipated revenue during December 1, 2008 to March 31, 2009 is Rs. 3.03 Crores.

Training on Textile Testing: Under National Programme for Training of Textiles and Clothing Industry Personnel, 32 No. of training programs in the area of testing of textiles, dyes and chemicals were conducted during April 1, 2008 to November 31, 2008. The anticipated number of programmes to be conducted during December 1, 2008 to March 31, 2009 is 5.

Accreditation of Laboratories: Accreditation of 14 laboratories of textiles committee is extended by way of surveillance audit / desktop audit by
National Accreditation Board for testing and calibration Laboratories (NABL), New Delhi as ISO 17025.

**Consultancy on Laboratory Quality Management System / Setting up of in-house laboratories:** During the year 2008-09, consultancy for accreditation of laboratories is extended to the six existing clients who enrolled during last year. Based on our inputs, most of the laboratories are in the verge of submitting application to the NABL for accreditation.

**Inter Laboratory Comparison (ILC)/ Inter Laboratory Proficiency Test (ILPT):** The laboratory of Textiles Committee at Mumbai is conducting Inter Laboratory Comparisons (ILC) regularly, in order to ensure the technical competence of the laboratories. During the year 2008-09, Inter Laboratory Comparisons (ILC) covering 10 mechanical and 10 chemical parameters of textile is undertaken. In all 50 laboratories from India, Sri Lanka and Bangladesh are participating in the programme. Revenue of Rs. 5.00 lakh is generated through this program.

**Textiles Committee as Proficiency testing (PT) provider:** Application for the accreditation of the Laboratory of Textiles Committee at Mumbai as a Proficiency Testing (PT) provider in accordance with ILAC G 13: 2007 and ISO Guide 43-1: 1997 is submitted to National Accreditation Board for testing and calibration Laboratories (NABL) which under active consideration by NABL.

**TQM Services:** Textiles Committee reoriented its role from that of regulatory to developmental. In the process, it has emerged out as industry friendly organization. The developmental activities were initiated in rendering consultancy on ISO-9000 Quality Management Systems, ISO-14000 Environmental Management Systems, SA-8000 (Social Accountability Management Systems) and OHSAS 18000 (Occupational Health and Safety Assessment Series) to the aspiring textile units on chargeable basis. In view of service-oriented approach, following activities are being carried out.

During the year 2008-09 a total of 07 units came forward to avail the consultancy services under ISO 9000/ISO 14000/SA8000/OHSAS18001 till November 30, 2008. Ten more new units are anticipated up to March 31, 2009 as the 27 quotations have been sent to various textile units. The total number of units under consultancy has gone up to 424 units so far and with projected figures it would touch to 434. The Textiles Committee is the only organization in the country to have rendered consultancy services to so many textile units.

**Handloom Mark:** Textiles Committee has been appointed as implementing agency (IA) by the Office of the Development Commissioner (Handlooms). The Handloom Mark was launched on 28.06.2006. The performance report in the Handloom Mark Scheme is given at table 13.3.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the activities</th>
<th>Achievements (up to Nov 08)</th>
<th>Projected (2008-09)</th>
<th>Total during (2008-09)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>No. of Forms issued</td>
<td>913</td>
<td>460</td>
<td>1373</td>
</tr>
<tr>
<td>2.</td>
<td>No. of Registration allotted</td>
<td>1078</td>
<td>530</td>
<td>1608</td>
</tr>
<tr>
<td>3.</td>
<td>No. of label sold</td>
<td>26,38,276</td>
<td>12,00,000</td>
<td>38,38,276</td>
</tr>
</tbody>
</table>
Popularisation of the Mark through Domestic and International Publicity

The most important step for the success of Handloom Mark would be its popularization. This has been achieved not only through the launch of Mark, sensitization seminars but also through publicity. Tenders were opened for empanelment of Advertising Agencies. Five such agencies were selected and the work orders were released to them on the basis of competitive rates. Consumer oriented advertisement were released in 37 renowned magazines covering eight languages. Advertisements through electronic media in the form of vocal as well as visual message were released in selected radio channels and TV channels.

Trade mark Registration

The Trade Registry Office, Mumbai has accepted the handloom mark logo for fabric and made up items and gave registration trademark with registration number 1525454, 1525456, 1525458 & 1525459. This step has strengthened the legal backing for the scheme to avoid the misuse of the trademark and protecting the interests of the handloom weavers. During 2008-09, the TQM Division is mainly focusing on the implementation of Handloom Mark Scheme. The Committee will also continue to further popularize the concept of ISO 9000/ISO 14000/SA8000/OHSAS18001 particularly for the decentralized sector.

The Cluster Development Cell

The Cell is implementing Cluster Development Programme for the Capacity Building of Textile SMEs in the identified clusters since the year 2002. This division has also continued to implement the programmes in the year 2007 - 2008 as its ongoing activity. During 2008-09, the Cell concentrated its activities in the three handloom clusters those have been assigned by the Office of the Development Commissioner (Handlooms), Ministry of Textiles, Government of India for implementation of the programme under the Integrated Handloom Cluster Development Scheme (IHCDS) as an Implementing Agency. After completion of the diagnostic study last year, the action plan was executed in the respective clusters. Cluster wise performance in the form of achievement is given below:

Bijnore cluster
- 40 SHGs, covering 650 members have been formed and their Bank accounts have been opened.
- Against the yarn corpus of Rs.5.00 lakh, there have been supplies of yarn worth Rs.23.00 lakh, benefiting 1000 weavers.
- Marketing tie-ups have been made with Tata Trent, Shahi Exports, Handloom House etc.
- 88 new designs and 200 new products have been developed.
- Export procedure training has been conducted for 45 master weavers.

Trichy cluster
- With the various interventions, there has been increase in the earnings of the 100 weavers from Rs.2/- to 5/- per mtr. i.e. Rs.300/- to 750/- per month.
- With the yarn corpus of Rs.5.00 lakh, yarn worth Rs.46.00 lakh has been supplied, benefiting 2,000 weavers.
- 10 SHGs, covering 150 weavers have been formed, 130 SHG women trained in Power Machine Sewing, 140 SHG women trained in Hand Embroidery.
- 120 weavers have been trained in Pure Silk Weaving, 30 weavers
trained in Design Development and 25 Master Weavers / Textile manufacturers trained in Export. 10 Dyers have been trained in Dyeing Workshops & as a result, there has been improvement in the quality of dyeing.

- 90 designs have been developed by the designer and nearly 60 looms have been converted for the production of Silk Fabrics.

**Shantipur cluster**

- 83 new SHGs have been formed and all SHGs have opened bank account.
- 22 SHGs have got credit in the tune of Rs.9.38 lakhs.
- 13 capacity building workshops, each of 2 days have been conducted for the SHGs, covering 1000 weavers.
- 50 new designs and 60 new products have been developed.
- Santipur Handloom Weavers Consortium covered 40 weavers under MGBBY Scheme for life insurance cover and two consortia have been linked with Mutual Credit Guarantee Fund Scheme with the bank.
- 70 local designers were trained through International designer and Designers’ consortium of 11 local designers has been evolved which is the first of its kind in the country to promote common Photo Studio.
- 7 dyeing programmes were conducted, covering 85 Dyers in the Vat, reactive and vegetable dyeing techniques and training on colour forecast has been conducted with the help of International Designer, benefiting 30 stakeholders.
- Participatory fee for the participants for any kind of capacity building programmes under IHCDP is a unique approach promoted in Santipur Handloom Cluster.
- Another 415 stakeholders have been trained on various management, quality and merchandising aspects.
- The cluster generated sales and orders worth Rs.31.00 lakh.
- Marketing linkages have been established with Handloom House, M/s. Arbi International, West Side & Pantaloon.

**FINANCES OF THE COMMITTEE**

The Committee generates internal revenue by way of user charges such as testing and certification charges, consultation fees, etc. The details of the revenue collection during the year 2008-09 are given at table 13.4.

**Market Research Wing**

The collection of statistics as stipulated by the Textiles Committee Act from manufacturers, dealers and consumers, under section 4(2) (b) of the Act is the major responsibility of this wing. In dispensing with the above function, economic and market related research studies are being carried out covering the entire gamut of the textile production, consumption and distribution. Depending upon the requirements of the government as well as the industry, various surveys/studies have been carried out. In addition to the research surveys/studies planned by the Textiles Committee, Market Research Wing undertakes client-sponsored studies/surveys also. The major activities of Market Research Wing during the period were:

- Continuing the operation of Market for Textiles and Clothing Survey and publishing annual report.
Sponsored surveys as per the requirement of Central Govt./State Govt./Leading Textile Associations and major Stakeholders.

UNCTAD Project: Strategies & Preparedness on Trade & Globalisation for Textiles & Clothing Sector.

Organising workshops/seminars

The salient achievements during the year 2008-09 are as follows:

The report, "Market for Textiles & Clothing" for the year 2008 based on the National Household Survey has been published. The report illustrates information about the textile purchases made by the households in the country and arrived at the
estimates of aggregate and per capita purchases of textiles and clothing.

- Census of Textile Engineering Industry Units (sponsored by the Textile Machinery Manufactures Association India) is in the final lap of completion.

Under the UNCTAD sponsored projects "Strategies and Preparedness on Trade and Globalisation for Textiles & Clothing Sector", the activities taken up are:

- 35 workshops organized, 10500 stakeholders participated and benefited.
- 143 stakeholders signed MoU with Textiles Committee.
- Updating of Virtual Sector Network of 3500 records.
- Addition to the Resource Centre.
- Identified 15 products for IPR protection through GI.
- Study & documentation of 11 products completed.
- Filed 7 products under GI Act & 4 products is in progress.
- Maintenance of website.
- 15 studies completed & report published.
- Five studies are at different stages of completion.

**Quality Appraisal & Export Certification Services:** Apart from carrying out quality inspection in aid of export promotion, the Division also issues the following special certificates to the exporters as required under various bilateral agreements / schemes.

**Certificate of Origin under Generalised System of Preferences (GSP):** Under the scheme of Generalised System of Preferences (GSP), the Committee issue GSP Certificate in Form-A for textiles and textile machinery to the exporters. This certificate enables the importers to claim duty preferences at the importing end.

**Certificate of Origin (Non-Preferential):** The Textiles Committee is also authorized to issue Certificate of Origin (Non-Preferential) from July 2005 to enable the exporters to establish the country of origin of the material exported.

**Handloom Certificate:** Under the various bilateral agreements with developed countries, the Committee is issuing Handloom & Cottage Industry Certificates after conducting limited inspection for ensuring handloom origin of eligible textile items to enable the importers to claim duty concessions.

**Tariff Rate Quota Certificate (TRQC):** Endorsement on TRQC is done for monitoring import quota for specific textiles items for the following countries:

- For ready made garments from Sri Lanka under ISFTA
- For apparels from Bangladesh under SAFTA
- For acrylic yarn from Nepal under Indo-Nepal Trade Treaty.

The quantum of work carried out by this Division during 2008-2009 upto November 2008 and anticipated figures from December 2008 to March 2009 are given at table 13.5.

**DEVELOPMENTAL ACTIVITIES**

**Accreditation under ISO: 17020:** The Committee in its 94th meeting held on 16-10-2006, proposed EP&QA Division to go for accreditation under ISO 17020. The EP&QA division, by installing the
requisite system in place, has obtained the coveted Accreditation Certificate from National Accreditation Board for Inspection & Certification Bodies (NABCB). The accreditation certificate was awarded to the EP&QA Division during the officers Conference held at Mumbai in May 2008 by Shri G.J. Gyani, Secretary General, Quality Council of India. Textiles Committee is the first Inspection Body in Asia to get the accreditation under ISO 17020. With a view to create quality movement among the textile industry, 20 National Workshops are being proposed to be conducted by the Committee at major textile centers in the country. These workshops are being organized under the Sponsorship of Quality Council of India, New Delhi. Four such workshops have already been organized at Solapur, (8-11-2008), Tirupur (2-12-2008), Karur (22-12-2008) & Coimbatore (23-12-2008).

**Scheme on Grading of Ginning & Pressing Factories**: The Technology Mission on Cotton (TMC), Navi Mumbai vide their letter dated 21-4-2008 informed that the Implementation Committee, under the Chairmanship of Shri J.N. Singh, Joint Secretary (Textiles), Government of India,

### Table 13.5

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>No. of lots appraised under QAS</td>
<td>201</td>
<td>100</td>
</tr>
<tr>
<td>2</td>
<td>No. of GSP Certificates issued</td>
<td>226386</td>
<td>113200</td>
</tr>
<tr>
<td>3</td>
<td>No. of Certificates of Origin (Non-Preferential) issued</td>
<td>66294</td>
<td>33150</td>
</tr>
<tr>
<td>4</td>
<td>No. of lots examined under limited inspection for loom origin for issue of Handloom certificates</td>
<td>678</td>
<td>*</td>
</tr>
<tr>
<td>5</td>
<td>No. of handloom and other special certificates issued</td>
<td>884</td>
<td>*</td>
</tr>
<tr>
<td>6</td>
<td>No. of samples classified for HS code, description, etc.</td>
<td>1554</td>
<td>780</td>
</tr>
<tr>
<td>7</td>
<td>No. of new exporters registered</td>
<td>817</td>
<td>410</td>
</tr>
<tr>
<td>8</td>
<td>No. of registrations renewed</td>
<td>2435</td>
<td>1220</td>
</tr>
<tr>
<td>9</td>
<td>Sale of Blank GSP Forms</td>
<td>152355</td>
<td>76200</td>
</tr>
<tr>
<td>10</td>
<td>Sale of Blank Certificate of Origin (Non-Preferential)Forms</td>
<td>86091</td>
<td>43050</td>
</tr>
<tr>
<td>11</td>
<td>Sale of Blank Certificates under Bilateral Agreement</td>
<td>989</td>
<td>450</td>
</tr>
<tr>
<td>12</td>
<td>Endorsement on TRQC for monitoring import quota of RMG under ISFTA</td>
<td>102</td>
<td>50</td>
</tr>
<tr>
<td>13</td>
<td>Endorsement on TRQC for monitoring import quota of Acrylic yarn under Indo-Nepal Trade treaty (in Metric Ton)</td>
<td>3173</td>
<td>1500</td>
</tr>
<tr>
<td>14</td>
<td>Endorsement on TRQC for apparel Articles from Bangladesh under SAFTA</td>
<td>58</td>
<td>25</td>
</tr>
<tr>
<td>15</td>
<td>Total revenue generated for activities at S.N. 1 to 14 above. (Rs.in Lakhs)</td>
<td>477.53</td>
<td>240</td>
</tr>
</tbody>
</table>

* Relates to quota related activities.
Min. of Textiles, New Delhi, has proposed to assign the grading and assessment of G&P Factories to the Textiles Committee. With a view to evolve suitable methodology, a Scheme for grading and rating of Ginning and Pressing Factories broadly based on the existing procedures adopted by the TMC, including charges was prepared and sent to the Ministry for approval. The Ministry vide letter dated 18-7-2008, has assigned the assessment and grading work to the Committee. To undertake the assignment of Assessment and Grading of Ginning & Pressing Factories, the Textiles Committee has trained its 72 officials in first phase at Mumbai and further imparted on the spot training at Ginning units to its 32 officials at Kadi near Ahmedabad with the association of TMC. For this assignment, a total budget of Rs.400.00 lakh is estimated to be expended by the Textile Ministry in a span of two years through CCI / TMC.

**Popularizing the Scheme:** The Officers of the Committee attended the 8th India International Textile Machinery Exhibition (INDIA ITME 2008) organized by India ITME Society from 15th to 22nd November 2008 at Bangalore International Exhibition Centre (BIEC), Karnataka. Since the Committee was allotted a complementary stall during the Exhibition, this opportunity was utilized for propagating and promoting the scheme of Assessment and Rating of Ginning and Pressing Factories in India amongst textile manufacturers including the owners/representatives of the spinning mills, who are the potential target customers for the scheme. For this purpose, 2000 brochures were printed containing the highlights of the scheme and distributed during the Exhibition, which was well received.
CHAPTER XIV

WELFARE OF SCHEDULED CASTES, SCHEDULED TRIBES AND WOMEN
CHAPTER XIV

WELFARE OF SCHEDULED CASTES, SCHEDULED TRIBES AND WOMEN

HANDLOOM SECTOR

The Handloom Sector employs over 65 lakh persons in weaving and allied activities with 35 lakh looms. This sector is weaver-specific/occupational in nature, with the majority of weavers belonging to the poorest and the marginalized sections of the society. As per the Handloom census of 1995-96, of the total workforce of 65 lakh persons, women constitute 60.6%, SC constitute 9.91%, ST constitute 26.54% and 43.62% weavers belong to the OBC.

The various handloom Schemes operated by this office are weaver's profession oriented and not category related. For assisting the Handloom Weavers, including SC/ST and women, the Government of India is implementing various developmental Schemes through State Governments with the objectives of Employment Generation, Modernization and upgradation of technology, providing Input support, marketing support, Publicity & Exhibition, Infrastructural support, Welfare measures and providing assistance for Development of Exportable Products, Research & Development.

HANDICRAFTS

Office of the Development Commissioner (Handicrafts) administers six generic schemes viz. Baba Saheb Ambedkar Hastshilp Vikas Yojana; Design and Technology Up-gradation Scheme; Marketing Support and Services Schemes; Export Promotion Schemes; Research & Development Schemes and Human Resource Development. All these schemes play a vital role in the empowerment and upliftment of women artisans and artisans belonging to Scheduled Castes and Scheduled Tribes.

Of total workforce engaged in handicrafts, 47.42% are women, of which 37.11% belong to SC/ST category (Source: NCAER Survey, 1995-96). There are certain crafts, which are practiced predominantly by women like embroidery, mat weaving, etc. Special attention is being paid to ensure that a large number of women artisans get benefit of all the development schemes, such as training, marketing related programmes, National Awards, exhibitions, etc.

SILK AND SERICULTURE

In India about 6 million people are involved in sericulture and its allied industries mostly in the rural area for their livelihood. Women constitute over 53% of those employed in down stream activities in sericulture. Under the Catalytic Development Programme, the following programmes have been implemented by CSB for the benefit of SC/ST and women workers:

- Promotion of women friendly technology packages, developed by the research institutes of CSB.
- Support is provided to Women Self Help Groups.
- Training programmes were organized to impart training to women reelers/spinners.
● Supply of improved reeling cum twisting devices and spinning wheels to the NGOs, women groups, individual women reelers / spinners at 50% subsidy.

**SCHEDULED CASTES (SC) AND SCHEDULED TRIBES (ST) - SUB PLAN**

There are no separate programmes/Schemes for SCs/STs under Sericulture implemented by the Ministry of Textiles. However during 2008-09, it has been proposed to utilize 20% of the allocation approved for implementation of Catalytic Development Programme (CDP) towards implementation of SC & ST components.

A sum of Rs.90.74 crores has been released/spent for implementation of CDP in the country during 2008-09, of which, an amount of Rs.16.32 crores has been released/spent for implementation of CDP components in NE States alone. It is expected that the amount released to NE States was largely used for the developments of STs.
CHAPTER XV

TEXTILES IN NORTH EASTERN REGION
CHAPTER XV

TEXTILES IN NORTH EASTERN REGION

HANDLOOMS

North Eastern Region has the highest concentration of Handlooms in the country. Out of 25.4 lakh units engaged in handloom activities, 14.6 lakh units (household and non-house hold) are concentrated in five States only, i.e. Arunachal Pradesh, Assam, Manipur, Nagaland and Tripura as per the Handloom Census 1995-96. Over 53% of looms in the country and more than 50% of weavers belong to North Eastern States. The share of these five States of North Eastern Region in the domestic looms is 82%. However, only 13.4% of the commercial looms of the country are in these States and the contribution of these States to the total production of handloom fabrics is only 20%.

The Weavers’ Service Centres, set up at Guwahati, Agartala and Imphal function as the Nodal Centre for development of designs and dissemination of information to the weavers in the region about the breakthrough made in the handloom technology. The IIHT set up at Guwahati, caters to the requirements of the handloom sector for technically qualified manpower.

A special dispensation has been made for the North Eastern States under the Integrated Handlooms Development Scheme. In respect of these States, the grant portion towards Basic Inputs of the scheme is shared between Centre, State Governments and the implementing agencies in the ratio of 90:5:5 respectively whereas for General States, it is in the ratio of 70:20:10 respectively.

Out of the 20 handloom clusters, each covering over 5000 handlooms, taken up for development in the first phase during the year 2005-06 under the Integrated Handlooms Cluster Development Scheme (IHDS), 2 clusters are at the North Eastern Region viz one each at Bijoy Nagar (Assam) and at Imphal (Manipur). Out of 251 clusters sanctioned during the year 2007-08 under the IHDS, 56 clusters have been sanctioned to the states falling under the North Eastern region and a sum of Rs.8.46 crore has been released.

During 2008-09, 37 clusters have been sanctioned to the States falling under the NER and a sum of Rs. 5.63 crore has been released.

Under Group Approach, 73 projects have been sanctioned to the various States falling under the NER at a total cost of Rs.4.59 crore.

HANDICRAFTS

The North-Eastern Region has predominantly tribal traditions and nowhere is this reflected more than in the region’s unique and varied handicrafts. As per the Census conducted by NCAER in 1995-96, NER, including Sikkim, has 8.87 lakh handicrafts artisans, which accounts for 18.63% of the total artisan population in the country. The important crafts of this region are Cane and Bamboo, Mat weaving, Basketry, Wood work, Brass craft, Artistic textiles/Hand-block printing, Tribal jewellery, Stone work, Terracotta, and Jute handicrafts.

SILK AND SERICULTURE

Sericulture is the most important cottage
industry in North East. The famous non-mulberry silks like tasar, Eri and Muga are produced traditionally in this region. In order to promote sericulture in North East during 2008-09, an amount of Rs.23.50 crores was sanctioned and released to the States of NER.

**JUTE**

10% of the Jute Technology Mission budget has been reserved for executing the JTM schemes in the North East Region covering Assam, Arunachal Pradesh, Meghalaya, Manipur, Mizoram, Nagaland, Sikkim and Tripura.
CHAPTER XVI

GENDER JUSTICE
CHAPTER XVI

GENDER JUSTICE

It is estimated that out of the total number of persons employed in the decentralized sectors of the Textiles industry, especially Handlooms, Handicrafts, and Sericulture, 50% are women. There are more women in the household industry than in the registered small scale or cottage units. Within the registered units, there are more women in unskilled and low paid jobs than in the skilled or trained category. However, in the organized sector the percentage of women workers is extremely low.

In the Government and Public sector, in accordance with the guidelines of the National Commission for Women, Committees have been set up in this Ministry and its offices/organizations to deal with complaints relating to the sexual harassment of women in the workplace. The presence of senior women in these committees as chairperson or as members has been mandated, and detailed guidelines on handling such work with firmness and tact have been issued. Emphasis is being laid on sensitizing departmental staff on gender issues.

In compliance with the guidelines and norms given by the Supreme Court to prevent and deal with cases of sexual harassment of women in the work place, this Ministry has also constituted a Complaints Committee. The Committee was reconstituted on January 10, 2007. It consists of 6 members including a senior officer as the Chairperson. No case has been brought to the notice of the Committee.

Sector wise details

Sericulture

The project for the establishment of a Seri-technology Complex for Women commenced in February 2004 for a period of 5 years. Under the programme, women sericulturists are imparted training for skill development in the areas of integrated nutrient and disease management of the host plant, silkworm rearing, quality seed production, etc.

Stimulating the formation of women groups and learning from experience with Self-Help groups and projects such as the ‘Mahila Samakhya’, an endeavor has been made to organize women to improve their capacities through solidarity and through mutual help, and to access facilities that would be denied to them as individuals. In the sericulture sector Self-Help Groups and Sericulture Quality Clubs are being created that impart training on group dynamics, empowerment, enlargement of the decision making process, SHG concepts, thrift, micro credit, etc. NGOs are also being involved in this effort to organize women's groups. In the Handicraft sector, marketing services and extension centers encourage group action for women.

Under the Centrally sponsored Catalytic Development Programme, the Central Silk Board (CSB) implements a number of programmes in collaboration with State Governments. Financial and technical assistance is provided for on-farm and post-farm activities like reeling, dyeing, twisting, printing, finishing, etc. Benefits
accrue, inter-alia, to SC/ST, and women workers. Under the Catalytic Development Programme, the following programmes are being implemented by CSB in collaboration with the State Sericulture Departments for the benefit of women workers:

- Promotion of women friendly technology packages, developed by the research institutes of CSB;
- Supply of improved reeling cum twisting devices, and spinning wheels to the NGOs, women groups, individual women reelers/spinners at 50% subsidy;
- Training programmes are being organized to impart training to women reelers/spinners on the operation of improved devices; and
- CSB is helping States to implement Cluster Development Projects by the integration of CDP schemes, wherein support is provided to Women Self Help Groups.

**Handlooms and Handicrafts**

The Handlooms sector has taken up a massive programme to train 1 lakh weavers. Many of them will be women. The aim is to upgrade weaving and design skills and impart information that will enhance their skills in accessing raw material and markets.

Integrated Handloom Development Scheme encourages replacement of looms and pit looms with improved looms that are more productive. Similarly, in the Handicrafts sector, the emphasis on improved tools in carpet making, bamboo, and cane craft, etc., has led to the induction of technology that empowers women with increased incomes from better quality products.

**Wool**

The Central Wool Development Board, Jodhpur administers various schemes/programmes for the development of wool and woolens in the country. Most of these schemes help the handlooms sector and provide employment to a large number of women weavers/workers.

**Cotton sector**

The Cotton Corporation of India (CCI) has total strength of 1197 employees including 127 women employees as on March 31, 2009 (i.e. about 10.6% of total employees). CCI has framed certain rules and regulations such as Recruitment Rules, leave Rules, CDA Rules, Medical Rules, TA/DA Rules, HBA Rules, Staff Welfare Rules, Vehicle Advance/maintenance Rules, etc. for all regular employees of the CCI including women employees.

In CCI, basically there are two streams in the staffing pattern i.e. General and Accounts/Finance. The entry point in CCI is at present generally at the level of Junior Cotton Purchaser, Junior Assistant and Grade-I employees. The recruitment/promotion policy of the CCI is governed by the Recruitment Rules, which are applicable to all employees including women employees. The CCI have different employees Welfare Schemes which are open for all the regular employees to avail the benefits thereof irrespective of any gender differentiation.

A Committee on “Sexual Harassment of Women in the Work Place” has been constituted at Head Office based on the directives of Hon’ble Supreme Court in order to protect working women from sexual harassment and to ensure gender equality. This Committee is headed by a Senior Lady Officer of the level of General Manager, and one Lady Officer from the Scheduled Caste/ Scheduled Tribe...
representative is also a member of the Committee. However, it may be mentioned that the Committee has received no complaints so far regarding sexual harassment of women in work place from any employee in this regard. A detailed instruction has already been sent to all the offices under the administrative control of the CCI to protect working women from sexual harassment and to ensure gender equality. The relief in the basic tax slab of Income Tax is applicable to resident women below 65 years is Rs. 1.45 lakh instead of Rs. 1.10 lakh for individual male employees in relation to assessment year 2008-09. Leave including maternity leave is allowed to women employees as per Central Government Rules.

**Jute sector**

The Government is implementing the Scheme for helping the NGOs & Women Self Help Groups for developing JDPs with the objective to create domestic demand for Jute Development Parks through mass awareness and also to expand the production base for various Jute Development Parks with the involvement of NGOs and Women SHGs, especially in rural areas with a view to improve the economic status of the rural women.
CHAPTER XVII

INFORMATION AND COMMUNICATION TECHNOLOGY IN TEXTILES
CHAPTER XVII

INFORMATION AND COMMUNICATION TECHNOLOGY IN TEXTILES

Ministry delivers various information services to the Textiles Industry through the ICT platform. Ministry and its Attached/Subordinate offices / field offices had strengthened their ICT infrastructure respectively with the latest available technology for the purpose. This has helped in improving the transparency and accountability in day-to-day functioning of the Ministry and its offices.

Moreover, IT based applications like MIS on Artisans enrolled for Rajiv Gandhi Shilpi Swasthya Bima Yojana, MIS on Grant-in-Aid, Web Enabled System on Craft Facility Centers (CFC) for Handicrafts Sector, Monitoring the proposal under Work shed cum Housing Scheme for Handloom Sector are designed, developed and implemented. In order to encourage the participation of the Industry in e-governance, work flow based computerization in major schemes like Baba Sahib Ambedkar Hastshilp Vikas Yojana (BAHVY) scheme of Handicrafts Sector, Integrated Handloom Development Scheme of Handloom Sector are being initiated to implement in phased manner.

National Informatics Centre (NIC), Department of Information Technology, Ministry of Communications & Information Technology is providing full-fledged technical support in developing and maintaining the ICT infrastructure and network services along with implementing various information systems/analytical tools for usage at various levels of management.

ICT Infrastructure

Video conferencing facility has been setup at the office of Secretary to facilitate the interaction / co-ordination with other related Ministries / Departments as well as State Governments. Additional Hardware/Software, Network equipments and visual aids are installed at various sections / conference room as per requirement. Moreover, an integrated plan for enhancing the LAN services covering Video Conferencing, Video Phone, etc. for the Ministry is under implementation.

Implementation of E-Governance

Economic Research and Market intelligence Unit (ERMIU) is providing an integrated interface for collection and dissemination of Information to Trade and Industry through a dedicated web site (http://texmin.gov.in/ermiudel/). Various analytical reports on Prices of Textiles items, Production of Yarn/Cloth etc, Sectoral information of Cotton,Silk, Man Made Fibre, Jute, and Import/Export of Indian Textiles are available on the ERMIU web site along with Indian economy indicators. Latest information on the Policies, Plans, Budget, Schemes, Acts, Notifications and initiatives taken by the Ministry are made available on the web site of the Ministry (http://texmin.gov.in). Various office automation applications like File Tracking System, Court Case Monitoring System, Monitoring of VIP references, etc. are being maintained.

Moreover existing services on intranet
has been upgraded by linking various in-house applications. ICT security policy / guidelines are taken up for implementation in the Ministry and its Attached / Subordinate offices.

**ICT implementation in other organization**

Attached and subordinate offices under the Ministry have also upgraded their ICT infrastructure as per the requirement with sophisticated LAN. These offices had enhanced their respective web sites to become more user-centric. Various application forms required by the public or Trade community for submitting the proposal under different schemes are also provided on the site for downloading. Various statistical reports on the Industrial database are also being published for the reference to the industry. To disseminate the information at the grass root level, field offices are equipped with Internet and Email facility. Awareness courses for the purpose are organized for officials to operate and deliver the services more effectively.
CHAPTER XVIII

VIGILANCE ACTIVITIES
T
he Vigilance Unit of the Ministry is headed by a Chief Vigilance Officer (CVO) who is also Joint Secretary of the Ministry. The CVO is appointed on the advice of the Central Vigilance Commission. The CVO is the nodal point in the vigilance set up of the department and is entrusted with the following:-

Identification of sensitive areas prone to malpractices/temptation and taking preventive measure to ensure integrity/efficiency in government functions:

- Taking suitable action to achieve the targets fixed by the Department of Personnel and Training on anti-corruption measures;
- Security of complaints and initiation of appropriate investigation measures;
- Inspections and follow up action on the same;
- Furnishing of comments of the Ministry to the Central Vigilance Commission on the investigation reports of the Central Bureau of Investigation;
- Taking appropriate action in respect of departmental proceedings on the advice of Central Vigilance Commission or otherwise;
- Obtaining second stage advice of the Central Vigilance Commission, wherever necessary; and
- Obtaining the advice of Union Public Service Commission in regard to the nature and quantum of penalty to the imposed, wherever necessary.

There are also part time Vigilance Officers in the Attached and Sub-ordinate offices of the Ministry of Textiles. However, the overall responsibility of vigilance activities of these offices, rests with the Chief Vigilance Officer of the Ministry of Textiles.

Preventive Vigilance continues to receive priority attention with emphasis primarily on identification of areas sensitive or prone to malpractices and temptation. The guidelines/instructions issued from time to time by the Department of Personnel and Training and the Central Vigilance Commission in this regard are followed. Action taken includes the following:

i) The areas of sensitive nature are identified in the Ministry and Surveillance is kept thereon.

ii) Regular and Surprise Vigilance inspections are being carried out in the Ministry and the offices under its control, throughout the year.

iii) Security measures have been strengthened appropriately.

iv) The Agreed List and List of Public Servant of Doubtful Integrity is prepared.

Vigilance Awareness Week - 2008 was observed in the Ministry of Textiles from November 3-7, 2008. During the week, the Essay and Debate competitions were held. Discussions were held on issues arising out of corruption. The main emphasis was on Preventive Vigilance and to create Awareness amongst Officers and staff of Ministry of Textiles. The Week
was also observed in the attached and sub-ordinate Offices of the Ministry and also by the Central PSUs and Statutory Boards.
CHAPTER XIX

OBSERVATIONS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
CHAPTER XIX

OBSERVATIONS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

Report No. 2 of 2008 (Civil)

NATIONAL CENTRE FOR JUTE DIVERSIFICATION

9.1 Unnecessary expenditure

Blocking of Rs. 7.39 crore on unnecessary purchase of a plot.

To set up "National Centre for Jute Diversification" (NCJD), 40,000 square meters plot at NOIDA was taken on lease at a premium of Rs. 3.26 crore paid at different stages from 1989 to 1994. The lease agreement for a period of 90 years was signed with NOIDA authority in December 1997. As per the agreement, in addition to the premium of the plot, lease rent of Rs. 8.16 lakh per annum was also to be paid to NOIDA. Further, in case of default, interest at the rate of 24 per cent was chargeable on the defaulted amount for the defaulted period. The plot of land was to be used for setting up of an Eco-Hub, a Jute R & D Centre, an in-house Design Development and Dissemination Centre, marketing sales outlet, jute raw material facilitation center and a Regional Office to look after the above activities.

Further, as per the lease agreement the construction of the building was to be completed by NCJD within four years by December 2001 from the date of possession of the plot (December 1997) failing which a levy of four per cent on the premium per annum is payable as extension charges.

So far a sum of Rs. 7.02 crore has been paid to NOIDA authority towards land premium, penal interest for delayed payment, and extension of period of construction up to July 2009. Further an amount of Rs. 16.32 lakh is outstanding from accounts of lease rent for the years 2005-07. It was noticed that the land is lying unutilized since December 1997. NCJD has taken no initiative in this regard except construction of a boundary wall for the plot in March 2000 at a cost of Rs.21 lakh.

It was also noticed that Ministry/NCJD have been vacillating on the ways of utilisation of the land and have so far failed to arrive at any concrete decision as may be seen from the table 19.1.

However, the land remains unutilized till date.

Thus, though a sum of Rs. 7.23 crore had already been spent and an amount of Rs.0.16 crore is outstanding as rent, Ministry/NCJD have not yet decided on its use, indicating that the plot was purchased without having concrete plans and without proper assessment of requirement resulting in blocking of Rs. 7.39 crore.

The matter was referred to the Ministry in July 2007; their reply was awaited as of November, 2007.

(Pending)

Report No. 1 of 2008 (Civil)

15.1 Non-completion of Urban Haats

The scheme for setting up of 'Urban Haats' in various states, launched in 1999, with a view to provide permanent marketing outlets to the local artisan
Community, suffered from poor planning, lack of monitoring and inefficient execution, resulting in 71% of the Haats approved during 1998-99 to 2003-04 costing Rs. 9.33 crore still remaining incomplete and un-operationalised even as of July 2007. This not only denied opportunity to the local artisans to sell their wares but also resulted in blocking of capital.

A plan scheme titled “Setting up of Urban Haats” was launched by the Government of India (GoI) in 1999, on the pattern of Dilli Haat, to provide permanent marketing outlets to the artisan community. These Haats were to be set up in various metropolitan cities of the country, with 40-50 stalls in each Haat for artisans to sell their wares directly to the consumers without involving any middlemen. There was also a provision for two exhibition halls/museums in the Haat. The built up stalls were to be allotted in a transparent manner to artisans on a fortnightly rotation basis at nominal daily rentals.

This scheme is being implemented through State Handicrafts/Handloom Development Corporations/Tourism Development Corporation/Non-Government Organisations in consultation with the concerned State Governments. The responsibility for providing developed land at a suitable location would be that of the concerned State/Implementing Agency (IA). Expenditure on the scheme is to be shared by GoI and the State Government in the ratio of 70:30, with Central assistance restricted to Rs. 1.40 crore per Urban Haat. Further, any cost escalation would be borne by the State Government implementing agencies.

Government of India had approved 41 Urban Haats in 22 States /Union Territory1 and released Rs. 18.48 crore during 1998-99 to 2006-07. The year-wise position of sanction of Haats and their status of operation is given at table 10.2.

Audit examination disclosed following inadequacies/slippages in the

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Table 19.1

<table>
<thead>
<tr>
<th>Period</th>
<th>Decision taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>From possession of land</td>
<td>To set up NCJD</td>
</tr>
<tr>
<td>During 2002</td>
<td>Ministry proposed for establishment of NIFT NCJD R&amp;D Centre</td>
</tr>
<tr>
<td>February 2005</td>
<td>Council of NCJD decided to dispose of the land</td>
</tr>
<tr>
<td>March 2006</td>
<td>Ministry sought extension of time from NOIDA for completion of construction of infrastructure. Ministry further conveyed to NOIDA that the land would be utilized for locating regional offices of jute related bodies in Delhi/NCR as well as establishment of National Institute of Natural Fibers</td>
</tr>
<tr>
<td>December 2006</td>
<td>Ministry suggested NCJD/JMDC to draw a plan for furtherance of not only jute but other sectors of textiles also.</td>
</tr>
<tr>
<td>March 2007</td>
<td>A private firm was hired to conduct pre-feasibility study for a Jute Mart. The report of this study was examined by Ministry.</td>
</tr>
<tr>
<td>July 2007</td>
<td>Ministry confirmed that the project will be executed by a Special Purpose Vehicle (SPV) to be formed with a public sector infrastructure company. NCJD is in the process of getting fresh valuation of the plot.</td>
</tr>
</tbody>
</table>
implementation of this scheme:

(i) As per the sanctions, the projects were to be completed in a time bound manner i.e. within 18 months from the start of construction. However, out of 28 projects approved up to 2003-04, only eight projects had become operational, while five projects were withdrawn due to various reasons e.g. location of site being under reconsideration, layout plan awaited, project under litigation etc. As regards remaining 15 projects approved up to 2003-04, funds amounting to Rs. 8.84 crore had been released between March 1999 and February 2007 but remained unfruitful, as the projects have still not become operational. Hence, 71 per cent of the projects sanctioned during 1998-2004 have still not become operational even as of July 2007.

(ii) Audit selected 26 incomplete/withdrawn Urban Haats in respect of 17 states for detailed examination. The status of their completion and reasons for slippages are given in the Annex. Audit analysis indicated:

- In five cases (Patiala, Thiruvananthapuram, Surat, Agartala and Kanpur), the projects were either withdrawn or cancelled. A sum of Rs. 48.50 lakh released for these projects was yet to be recovered from the states/implementing agencies concerned as of July 2007.

- In six cases (Patna, Delhi (Pitampura & Mehrauli), Panaji, Navi Mumbai and Indore), projects were approved during 2004-07, but grants could not be released by the Ministry due to non-finalisation of lay-out plan/architectural designs, non-availability of appropriate site etc.

- In seven cases (Raipur, Ranchi, Puri, Ajmer, Dehradun, Bareilly and Lucknow), central grant of Rs. 3.56 crore was released

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Year of Approval</th>
<th>No. of Urban Haats approved</th>
<th>Amount of funds released Rs. in crore</th>
<th>No. of operational Urban Haats</th>
<th>No. of Urban Haats withdrawn</th>
<th>No. of Urban Haats still not operational</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1998-99</td>
<td>2</td>
<td>1.87</td>
<td>1</td>
<td>--</td>
<td>1</td>
</tr>
<tr>
<td>2.</td>
<td>1999-2000</td>
<td>4</td>
<td>3.51</td>
<td>3</td>
<td>--</td>
<td>1</td>
</tr>
<tr>
<td>3.</td>
<td>2000-01</td>
<td>2</td>
<td>1.40</td>
<td>1</td>
<td>1</td>
<td>--</td>
</tr>
<tr>
<td>4.</td>
<td>2001-02</td>
<td>9</td>
<td>6.41</td>
<td>2</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>5.</td>
<td>2002-03</td>
<td>7</td>
<td>1.54</td>
<td>1</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>6.</td>
<td>2003-04</td>
<td>4</td>
<td>2.35</td>
<td>--</td>
<td>--</td>
<td>4</td>
</tr>
<tr>
<td>7.</td>
<td>2004-05</td>
<td>4</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>4</td>
</tr>
<tr>
<td>8.</td>
<td>2005-06</td>
<td>4</td>
<td>0.70</td>
<td>--</td>
<td>--</td>
<td>4</td>
</tr>
<tr>
<td>9.</td>
<td>2006-07</td>
<td>5</td>
<td>0.70</td>
<td>--</td>
<td>--</td>
<td>5</td>
</tr>
<tr>
<td>10 Total</td>
<td></td>
<td>41</td>
<td>18.48</td>
<td>8</td>
<td>5</td>
<td>28</td>
</tr>
</tbody>
</table>
during 1999-2000 to 2006-07, but physical and financial progress was ‘Nil’ and the entire funds were lying unutilised with the IAs. As per provisions of the scheme, if the grantee failed to utilise the grant for the purpose for which it was sanctioned, it was required to refund the amount along with interest at the rate of six per cent per annum. Despite considerable delays on the part of states / implementing agencies in taking up the project, Ministry did not recover the amount of unutilised grant.

- In eight cases (Agra, Bhuj, Dimapur, Guwahati, Hazaribagh, Jaipur, Rampur and Varanasi) funds amounting to Rs. 4.88 crore were released, but physical and financial progress was not fully known to the Ministry. This indicated lack of monitoring and control in implementation of the scheme. Poor monitoring was also reflected from the fact that the Ministry was only requesting the status of the project from the State/implementing agency and no penal action was either envisaged or taken.

The Office of the Development Commissioner (Handicrafts) in its reply of October 2007 stated that the Haat at Agartala had been revived in September 2007 after reconsideration and two more Haats at Konark and Ahmedabad had become operational in August and September 2007 respectively. While no time limit was mentioned in the scheme, such limits were to be mentioned in the sanctions.

The reply is not tenable, as the projects were to be executed in a time bound manner. Non-completion of projects sanctioned as early as 1998-99 to 2003-04, reflects poorly on the efficiency of planning, monitoring and implementation of the scheme. Further, the sanctions were defective, since these specified a time limit of 18 months from the start of construction, without specifying a definite time limit for starting the construction after approval of the project and release of funds.

Hence, poor planning, lack of effective monitoring and deficient implementation of the scheme resulted in denial of opportunity to the local artisans to sell their wares in the Haats and also led to blocking of capital on incomplete projects.

The matter was referred to the Ministry in August 2007; their reply was awaited as of January 2008.

(Pending)

15.2 Deficient property management

Poor planning by the Ministry of Textiles resulted in a plot of land lying idle for more than 10 years, on which a total expenditure of Rs. 6.22 crore was incurred between November 1989 and March 2006; in addition, avoidable expenditure of Rs. 0.31 crore was incurred on payment of rent of hired building.

In November 1989, the Ministry of Textiles purchased a plot of land measuring 10 acres in the institutional area of New Okhla Industrial Development Authority (NOIDA) for setting up the Office of the National Centre for Jute Diversification (NCJD) between November 1989 and March 2006. A total expenditure of Rs. 6.22 crore was incurred on this plot, as summarised below:

- Rs. 1.66 crore between November 1989 and April 1990 towards the cost of the plot.
- Rs. 1.60 crore towards development charges in December 1994.
Rs. 1.68 crore towards penal interest in November 1995 on account of delay in depositing development charges.

Rs. 0.21 crore towards the cost of construction of boundary wall in March 2000.

Rs. 1.07 crore up to March 2006 towards pending lease rent up to November 2005.

Of the above amount, Rs. 1.66 crore, representing cost of the plot was contributed by the Government of India, while the rest was invested out of the corpus of NCJD.

Audit scrutiny revealed that the land remained unutilised and the NCJD Office continued to function from rented premises, on which it incurred expenditure of Rs. 0.31 crore on the rent from January 1998 to December 2006. Further, NOIDA authority issued notice in February 2006 for furnishing the completion certificate of the building, failing which it would initiate action for resumption of the plot of land.

In response to the audit observations, the Ministry stated (January/August 2007) as follows:

- Land was initially purchased for setting up the Headquarters of NCJD. However, this was set aside, as Headquarters of NCJD was set up in Kolkata for administrative reasons.

- The possession of land was handed over only in December 1997, and any construction should have been planned only thereafter.

- The construction time limit, as per the lease, was December 2001.

- In 2002, it was decided to establish the NIFT-NCJD R&D Centre. However, due to inability to fund the construction, the Council of Governors of NCJD suggested disposal of the land.

In March 2006, the earlier decision to sell land was reversed and the Ministry of Textiles decided to utilise the plot for locating regional offices of jute-related bodies, as well as for establishing the proposed National Institute of Natural Fibre. However, this could not progress due to funds constraints.

Now, the Ministry and NCJD had decided to take up the project through public sector partnership, so that the selected partner could provide the required funding for the project.

With the passage of time, there had been changes in administrative requirements of the NCJD and the Ministry, and the decisions at various points of time reflected unavoidable circumstances due to which the project envisaged could not materialise.

The reply of the Ministry is not tenable for the following reasons:

- The Ministry and NCJD should have properly planned the utilisation of the plot so that construction should have taken place at least by the stipulated time limit of December 2001.

- Availability of funds should have been appropriately considered as part of the planning process.

- The changes in decisions and requirements reflect an ad hoc approach, which are indicative of poor long term planning.

Thus, inadequate planning of the Ministry resulted in the plot remaining unutilised for nearly 10 years after handing over, for which a total payment of Rs. 6.22 crore was made between November 1989 and March 2006.

(Pending)
<table>
<thead>
<tr>
<th>S. No.</th>
<th>Report No.</th>
<th>Audit Para No.</th>
<th>Subject</th>
<th>Current Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>3 of 2005 (Commercial)</td>
<td>21.1.1</td>
<td>Irregular payment of ex-gratia</td>
<td>Pending with audit</td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td>21.1.2</td>
<td>Avoidable expenditure on regularization of contact labour</td>
<td>Pending with audit</td>
</tr>
<tr>
<td>3.</td>
<td>4 of 2005 (Commercial)</td>
<td>14.5.1</td>
<td>Sale of surplus land and building</td>
<td>Pending</td>
</tr>
<tr>
<td>4.</td>
<td></td>
<td>14.5.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td></td>
<td>14.6.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td></td>
<td>14.6.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td></td>
<td>14.6.3</td>
<td></td>
<td></td>
</tr>
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<td>8.</td>
<td></td>
<td>14.7.1</td>
<td></td>
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<tr>
<td>9.</td>
<td>11 of 2006 (Commercial)</td>
<td>1.5.31 (2)</td>
<td>Overstatement of sales and purchases by The Handicrafts &amp; Handlooms Exports Corporation of India Limited</td>
<td>Pending with audit</td>
</tr>
<tr>
<td>10.</td>
<td></td>
<td>1.5.32</td>
<td>Non deposit of PF, ESI etc by National Textile Corporation (APKK&amp;M) Limited</td>
<td>Pending</td>
</tr>
<tr>
<td>11.</td>
<td></td>
<td>2.1.9 (1)</td>
<td>The Handicrafts and Handlooms Exports Corporation of India Limited, delegation of financial powers needs to be reviewed and timely recovery of outstanding dues needs to be improved.</td>
<td>Pending with audit</td>
</tr>
<tr>
<td>12.</td>
<td></td>
<td>2.6.16</td>
<td>National Center for Trade Information, internal audit system needs to be improved.</td>
<td>Pending with audit</td>
</tr>
<tr>
<td>13.</td>
<td>9 of 2007 (Commercial)</td>
<td>1.1.5</td>
<td>Accounts in arrears</td>
<td>Pending</td>
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<tr>
<td>14.</td>
<td></td>
<td>2.4.4.4</td>
<td>Financial Reporting by PSUs</td>
<td>Pending</td>
</tr>
<tr>
<td>15.</td>
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<td>2.6.1.8</td>
<td>Financial Reporting by PSUs</td>
<td>Pending</td>
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<tr>
<td>16.</td>
<td>11 of 2007 (Commercial)</td>
<td>19.1.1</td>
<td>Loss of Rs. 62.27 lakh due to improper fund management</td>
<td>Pending with audit</td>
</tr>
<tr>
<td></td>
<td></td>
<td>19.2.1</td>
<td>Irregularity in implementation of Modified Voluntary Retirement Scheme</td>
<td>Pending</td>
</tr>
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</table>
## CIVIL

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Report No.</th>
<th>Para No.</th>
<th>Subject</th>
<th>Current Status</th>
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<tr>
<td>1.</td>
<td>1 of 2008</td>
<td>15.1</td>
<td>Non-completion of Urban Haats</td>
<td>Pending</td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td>15.2</td>
<td>Deficient property management</td>
<td>Pending</td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td>15.3</td>
<td>Outstanding contingent advances</td>
<td>Pending</td>
</tr>
<tr>
<td>4.</td>
<td>2 of 2008</td>
<td>9.1</td>
<td>Unnecessary expenditure</td>
<td>Pending</td>
</tr>
</tbody>
</table>
CHAPTER XX

PERSONS WITH DISABILITIES
The number of persons with various disabilities in various posts in Group ‘A’, ‘B’, ‘C’ and ‘D’ against the 3% vacancies to be reserved for them under Section 33 of PWD Act is given at table 20.

### Table 20

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Office/Organisation</th>
<th>Group A</th>
<th>Group B</th>
<th>Group C</th>
<th>Group D</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>SS</td>
<td>PWD</td>
<td>SS</td>
<td>PWD</td>
</tr>
<tr>
<td>1.</td>
<td>Jute Manufactures Development council (JMDC)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>National Handloom Development Corporation Limited (NHDC)</td>
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<td>3.</td>
<td>The Jute Corporation of India Ltd. (JCI)</td>
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<td>4.</td>
<td>Central Wool Development Board (CWDB)</td>
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<td>5.</td>
<td>Textiles Committee</td>
<td>80</td>
<td>-</td>
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<td>6.</td>
<td>O/o the Development Commissioner (Handlooms)</td>
<td>101</td>
<td>-</td>
<td>105</td>
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<td>7.</td>
<td>Sardar Vallabhbhai Patel Institute of Textile Management (SVPITM)</td>
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<tr>
<td>8.</td>
<td>National Institute of Fashion Technology (NIFT)</td>
<td>328</td>
<td>-</td>
<td>168</td>
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<td>9.</td>
<td>Central Silk Board (CSB)</td>
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<td>10.</td>
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<td>-</td>
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<td>11.</td>
<td>O/o the Commissioner of Payments</td>
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<td>-</td>
<td>1</td>
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<td>12.</td>
<td>O/o Development Commissioner (Handicrafts)</td>
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<td>S. No.</td>
<td>Office/Organisation</td>
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<td>Group B</td>
<td>Group C</td>
<td>Group D</td>
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<td>13.</td>
<td>O/o the Jute Commissioner</td>
<td>11 -</td>
<td>13 -</td>
<td>58 -</td>
<td>29 -</td>
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<td>14.</td>
<td>Handicrafts and Handlooms Exports Corporation of India Ltd. (HHEC)</td>
<td>24 -</td>
<td>33 -</td>
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<td>15.</td>
<td>The Cotton Corporation of India Ltd. (CCI)</td>
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<td>65 2</td>
<td>915 8</td>
<td>145 4</td>
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</table>

SS- Sanctioned Strength  
No. of PWD- Number of persons with disabilities employed.