

Annual Report 2009-2010



**MINISTRY OF TEXTILES
GOVERNMENT OF INDIA**

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CHAPTER 1
HIGHLIGHTS

CHAPTER I

HIGHLIGHTS



The President of India, Smt. Pratibha Devisingh Patil, releasing the Commemorative Postage Stamps on 'Textiles of India' at Rashtrapati Bhavan on December 10, 2009. Also seen (from left to right) are the Secretary (Textiles), Minister of State for Textiles, Smt. Panabaaka Lakshmi, The Minister of Textiles, Shri Dayanidhi Maran and the Minister of Communications and Information Technology, Shri A. Raja

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 31.10.2009, there were 1834 cotton/man-made fibre textile mills (non-SSI) in the country with an installed capacity of 37.07 million spindles, 4,89,718 rotors and 56,526 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 15% 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.

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.1,86,804 crores upto 30.9.2009.

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 30.11.2009, under the Scheme, 43 units in Gujarat, 6 units in Tamil Nadu, 5 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 and Andhra Pradesh i.e., a total of 73 mills were found eligible under the scheme. A total of 103901 workers out of 133666 workers on rolls of these mills had been disbursed relief of Rs. 265.64 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 industry which decreased by 14% in 2008-09 as compared to 2007-08 is expected to increase by 19% during 2009-10. The production of all the Man-made staple fibres except polypropylene

Table 1.1

(Rs. in crore)

Year	Received		Sanctioned			Disbursed		
	No. of applications	Project Cost	No. of applications	Project Cost	Amount	No. of applications	Amount	Subsidy
1999-00	407	5771	309	5074	2421	179	746	1.00
2000-01	719	6296	616	4380	2090	494	1863	70.00
2001-02	472	1900	444	1320	630	401	804	198.89
2002-03	494	1835	456	1438	839	411	931	202.59
2003-04	867	3356	884	3289	1341	814	856	249.06
2004-05	986	7941	986	7349	2990	801	1757	283.60
2005-06	1086	16194	1078	15032	6776	993	3962	485.00
2006-07	12336	61063	12589	66233	29073	13168	26605	823.92
2007-08	2408	21254	2260	19917	8058	2207	6854	1143.37
2008-09 (P)	6113	56542	6072	55707	24007	6111	21826	2632.00
2009-10 (upto Sept. 2009)	584	7065	583	7065	1158	584	1019	2576.00
As on 30.09.2009 (P)	26472	189218	26277	186804	79383	26163	67223	8665.438

Table 1.2

S. No.	State	No. of mills identified	No. of workers on roll	No. of workers benefited (as on 30.11.2009)		Disbursed amount (Rs. in crores)
				No. of mills	Workers received relief	
1.	Gujarat	43	80749	43	63591	159.44
2.	Maharashtra	5	5529	5	3969	9.67
3.	Madhya Pradesh	4	18977	4	17791	47.70
4.	Tamil Nadu	6	5685	6	4668	7.03
5.	Kerala	1	500	1	437	2.47
6.	Karnataka	7	9620	7	4933	17.19
7.	Andhra Pradesh	1	710	1	70	0.43
8.	Delhi	1	5187	1	5170	11.93
9.	West Bengal	2	1597	2	1324	2.19
10.	Punjab	3	5112	3	1947	7.59
	Total	73	133666	73	103901	265.64

staple fibre are expected to record a positive growth in 2009-10 as compared to previous year. Viscose, Polyester and Acrylic staple fibre are expected to increase by 29%, 16%, 20% respectively while Polypropylene staple fibre is expected to decrease by about 6% in 2009-10.

The total production of man-made filament yarn is expected to increase by 7% during 2009-10. The production of viscose, nylon and polyester filament yarn are expected to increase by 1%, 6% and 8% respectively while for polypropylene filament yarn, is expected to decrease marginally by 1% during 2009-10. The installed capacity and details of production of man-made staple fibre and filament yarn are given at table 1.3.

NATIONAL FIBRE POLICY

The Report of the Working Group on Textiles & Jute Industry for the 11th Five Year Plan recommended consolidating

the raw material base including cotton, wool, silk, Man Made Fibre, technical textiles and jute, to facilitate the growth process in the industry. Further, the High Level Committee on Manufacturing (HLCM) in June 2007, under the Chairmanship of the Prime Minister to consider, inter alia, the Action Plan for the growth of Textiles and Garments decided to formulate a Comprehensive Fibre Policy. It was held that man-made fibre sector required special attention as the fibre consumption was in the ratio of 57:43 between cotton and man-made fibres in contrast to the 40:60 ratio prevailing worldwide. HLCM felt that a long term Comprehensive Fibre Policy (natural & man-made) was required for steady availability of fibre.

Thus, in the above background and keeping in view the fact that the market economy and availability of fibre have been the determining forces in natural selection of production process, Minister of Textiles soon after assuming Office

Table 1.3

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

Type	No. of units	Installed Capacity (TPA) 30-12-2009(P)	Production (Mn. Kg)				
			2006-07	2007-08	2008-09(P)	2009-10 (April-Dec.) (P)	2009-10 (P)
Staple Fibre							
Viscose	6	418.68	246.83	279.90	232.75	220.86	301.00
Polyester	15	1182.73	792.00	879.61	750.11	653.54	870.54
Acrylic	8	153.00	97.12	81.23	79.51	72.08	95.22
Polypropylene	3	8.70	3.52	3.43	3.43	2.37	3.24
Total	32	1763.11	1139.47	1244.17	1065.80	948.85	1270.00
Filament Yarn							
Viscose	7	80.10	53.99	51.07	42.42	32.02	42.86
Nylon #	11	32.00	32.25	27.62	28.07	22.40	29.66
Polyester ##	43	2013.49	1270.87	1420.14	1332.09	1081.48	1436.46
Polypropylene #	13	17.63	13.37	10.51	15.08	11.34	14.87
Total	74	2143.22	1370.48	1509.34	1417.66	1147.24	1523.85

P = Provisional

= The exclusive capacity of N.F.Y. and P.P.F.Y.

= The Capacity under Broad Banding Scheme has been indicated against P.F.Y.

considered it imperative that a Comprehensive National Fibre Policy be devised as early as possible. Thus, he made a public announcement in June, 2009 regarding formulation of a 'National Fibre Policy', with a view to achieve a growth rate of 7 to 8% for the textiles industry.

In line with the announcement, a Working Group on National Fibre Policy was constituted on the 29th July, 2009, comprising Government organizations, Export Promotion Councils, Industry Associations and experts in the field drawn from eminent institutions/organizations. As decided in the Working Group meeting in September 2009, eight Sub Groups on various fibres were formed to critically examine the relevant aspects

and make recommendations to facilitate formulation of a comprehensive Fibre Policy. The issue is being pursued vigorously to put a policy in place as early as possible in consultation with all concerned stakeholders.

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\$ 55 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 four years but declined by over 5% in 2008-09 with exports of US\$ 20.94 billion. 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, 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.

Progress of implementation

Forty (40) textiles park projects have been approved by the Ministry of Textiles. State-wise sanction of project is - Andhra Pradesh (5), Gujarat (7), Karnataka (1), Madhya Pradesh (1), Maharashtra (9), Punjab (3) Rajasthan (6), Tamil Nadu (7), 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. 4141.35 Crore, of which Government of India assistance under the scheme would be Rs. 1422.43 Crore. 2216 entrepreneurs will put up their units in these parks covering an area of 4334 Acre. The projected investment in these

parks is Rs. 19,459 Crore and estimated annual production is Rs 33,587 Crore. After these parks are fully operational there would be employment available for 8.19 lakh persons (3.15 lakh direct & 5.04 indirect). So far assistance of Rs. 752.49 Crore has been provided for execution of these projects. The promoters of these textiles park projects have brought in Rs.1800 Crore (approx.) as their contribution. First Textiles Park, viz. Palladam HiTech Weaving Park, Palladam, Tamil Nadu was inaugurated on 19.04.2008. Pochampally Handloom Park, Andhra Pradesh was the second park inaugurated on 16.11.2008. 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. Gujarat Eco Textile Park, Surat, Gujarat was inaugurated on 09.09.2009. Brandix India Apparel City, Vishakhapatnam, Andhra Pradesh, and Pride India Cooperative Textile Park, Ichalkaranji, Maharashtra are also complete. Remaining projects are likely to be completed in 2010/11.

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 22.38 lakh powerloom in the country as on 31st December, 2009 distributed over approximately 5.03 lakh units. This is about 60.39% of the total looms in the world. The powerloom sector contributes about 62% of the total cloth production of the country, and provides employment to about 55.95 lakh persons.

The estimated number of powerloom in the decentralized sector in the country till December 2009 were 22,38,036.

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 307 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 (567 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 2009-10 has been

estimated at a record 295 bales (of 170 kgs each). First time in 2007-08 cotton season, cotton yield of about 567 kg/hectare which reduced to 524 in 2008-09 and 494 in 2009-10. 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 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 221 have been completed. The total cost of the sanctioned project is Rs. 488.65 crores out of which the TMC share is Rs. 253.26 crore.

Under MM-IV, Modernization of 993 Ginning and Pressing Factories have been sanctioned and 885 have been completed. The Total cost of the sanctioned Projects is Rs. 1427.44 crores out of which the TMC Share of Rs. 224.30 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 in the range of Rs. 1,000 to Rs.1,200 crore annually. The estimated raw jute productions during the jute year 2009-10 (July-June) is estimated to be between 85-90 lakh bales (1 bale = 180 kg.).

There are 78 composite jute mills in India, of which 61 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 69 are in private sector.

EXPORT AND IMPORT OF JUTE GOODS

The exports of jute goods, including floor coverings, diversified jute products, jute yarns hessian was US\$ 299.13 million (Rs. 1,375.80 crore) during financial year 2008-09. The jute exports have shown a grow of 4% in rupee terms on year to year basis. The exports during financial year 2007-08 were US\$ 327.86 million (Rs. 1,319 crore). The export of Jute goods during 2009-10 (April/September) were US\$ 110.04 million (Rs. 534.61 crore).

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 2008-09, Mulberry accounts for 85% (15610 MT), Eri 11.1%(2038 MT), Tasar 3.3%(603 MT) and Muga 0.6% (119 MT) 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 6.3 million persons in rural and semi-urban areas in India. Of these, a sizeable number of workers belong to the economically weaker sections of the society. There is substantial involvement of women in this Industry.

THE WOOL AND WOOLEN TEXTILES INDUSTRY

The Wool and Woollen 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 country is the seventh largest producer of wool and contributes 1.8% to total world production. 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. Of the total production of raw wool, 5% is apparel grade, 85% carpet grade, and 10% coarse grade. Rajasthan (44 percent), Jammu & Kashmir(13 percent), Karnataka (12 percent) alongwith Gujarat, Uttar Pradesh, Andhra Pradesh, Haryana (23 percent) are the major wool producing states in the country. The world average for wool productivity is about 3.5 kg/ sheep/year, while in India the average is 0.8 kg/sheep/year.

There are 718 woollen units in the organized sector, and a large number of units in the small scale sector. Ludhiana alone accounts for 225-240 units in the decentralized hosiery and shawl sector. The installed capacity of the industry is about 6.04 lakh worsted spindles, and 4.37 lakh non-worsted spindles. Wool combing capacity is around 30 million kg., whereas, the synthetic fibre combing capacity is 3.57 million kg. There are approximately 7,228 powerlooms in this industry.

A small quantity of specialty fibre is obtained from Pashmina goats and Angora rabbits. There are 958 woollen units in the country, the majority of which are in the small scale sector. During the XIth Five Year Plan period (2007-12), the Government is implementing the following Schemes for the holistic growth and development of Wool Sector: (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, Cooperatives, etc.

HANDLOOMS

Handloom constitutes a timeless facet of the rich cultural heritage of India. As an economic activity and in terms of employment generation, the handloom sector occupies a place second only to agriculture. This sector is, however, is confronted with various problems, such as, obsolete technology, unorganized production system, low productivity, inadequate working capital, conventional product range, weak marketing links leading to accumulation of stocks at various levels etc. The Government of India has, therefore, been initiating various developmental and welfare measures to help the handloom sector to tide over these problems to a great extent.

PRODUCTION IN THE HANDLOOM SECTOR INCREASED

Resultant to the developmental and welfare measures initiated by the Government of India, the declining trend in production in the handloom sector had been arrested and from the year 2004-05 there in fact has been a considerable growth in production in the sector. Production in the handloom sector recorded a figure of 6677 million sq. meters in the year 2008-09, which is about 21.55% over the production figure of 5493 million sq. meters recorded in the year 2003-04.

403 HANDLOOM CLUSTERS TAKEN UP FOR DEVELOPMENT

The Integrated Handlooms Development Scheme (IHDS) has been launched with a

view to develop holistically and comprehensively the weavers' clusters throughout the country. Under this scheme, 403 Handloom clusters have been taken up upto 04.12.2009 and financial assistance of Rs 61.69 crore has been released to various implementing agencies for various components like skill upgradation, awareness programme, formation of consortium, corpus fund for yarn, purchase of CATD, basic inputs etc.

ENROLLMENT UNDER HEALTH INSURANCE SCHEME

The Health Insurance Scheme provides health care facilities to the handloom weavers and their families including spouse and two children of the weavers covered. 18.78 lakh weavers were covered under the scheme during 2008-09 which would extend benefit to more than 50 lakh persons. During 2009-10, 2.11 lakh weavers have been covered upto October, 2009 under the scheme.

ENROLLMENT UNDER MAHATMA GANDHI BUNKAR BIMA YOJANA

The enrollment under MGBBY increased to 5.75 lakh weavers in 2008-09 as compared to 4.66 lakh weavers in 2007-08. The enrollment during 2009-10 is 1.21 lakh weavers upto October, 2009.

SUPPLY OF YARN UNDER THE MILL GATE PRICE SCHEME

610 yarn depots, covering all the handloom clusters, have been set up by the National Handloom Development Corporation (NHDC) to ensure steady and timely supply of requisite yarn at Mill Gate Price to the handloom weavers. Supply of yarn by the NHDC under the Mill Gate Price Scheme registered a figure of 855.11 lakh kgs. valued at Rs.793.77 core in the year 2008-09 as compared to the figure of 678.21 lakh kgs valuing Rs.536.05 core in the year 2007-08.

RELEASE OF POSTAGE STAMPS

H.E. Smt. Pratibha Devisingh Patil, the President of India, has released 4 postage stamps of Rs.5/- each on Banarasi silk, Kanchipuram sarees, Kalamkari and Apa Tani weaves on 10th Dec.2009 at Rashtrapati Bhawan. The Union Minister of Textiles Shri Dayanidhi Maran, Union Minister of Communication and Information Technology Shri A.Raja, Minister of State for Textiles Smt. Panabaaka Lakshmi, Minister of State for Social Justice and Empowerment Shri D Napoleon and other dignitaries were present. This is for the first time, stamps on Indian textiles were issued in order to popularize the unique textiles both in India and abroad.

HANDLOOM WEEK

Handlooms constitute a living heritage of our country reflecting the ethos of the art and craft traditions of our country which gives employment to about 65 lakh people. It is the only environmental friendly fabric requires continuous promotion, adoption and protection. "Handloom Week" was celebrated for the first time in the country from 21st December to 27th December, 2009. During the Handloom Week, a number of promotional and awareness programmes, organization of domestic marketing through handloom expos, fashion shows celebrating the output and potential of the cluster development, publicity through newspapers, magazines, outdoor publicity, through electronic media shall be undertaken substantially.

INCREASE IN THE NUMBER OF MARKETING EVENTS

The target of marketing events has been increased to 500 from 300 during the year 2009-10 in order to give adequate opportunity for the weaves to market their products directly to the consumers without the intervention of the middlemen. So far, 462 marketing events have been sanctioned.

SANT KABIR AWARD

This award will be conferred on such outstanding weavers who have made valuable contribution in keeping alive the handloom heritage and also for their dedication in building up linkages between the past, present and the future through dissemination of knowledge on traditional skills and designs. SANT KABIR AWARD for handloom weavers will be conferred every year, beginning from the year 2009.

Each award will consist of one mounted gold coin, one shawl and a citation. In addition, financial assistance to the extent of Rs. 6.00 lakh will also be given to each of the Sant Kabir Awardee to innovate and create 10 new products of high level of excellence, of high aesthetic value and of high quality.

BRAND BUILDING THROUGH HANDLOOM MARK

The emphasis has been laid on Brand Development through Handloom Mark during the XI Five Year Plan. The Handloom Mark was launched by the Hon'ble Prime Minister of India on 28th June, 2006. The purpose of Handloom Mark is to serve as a guarantee to the buyer the handloom product being purchased is a genuine handwoven product and not a powerloom or mill made product. Also, in the new Foreign Trade Policy, incentives to handloom products bearing Handloom Mark have been provided. Handloom Mark is being promoted and popularized through advertisements in newspapers and magazines, electronic media, syndicated articles, fashion shows, films etc.

The Textiles Committee is the Implementing agency for promotion of Handloom Mark. As on 30th Nov. 2009, 138.33 lakh handloom mark labels have been sold to 5930 stakeholders. 725 retails outlets are selling handloom goods with handloom mark label.

The new beneficiaries now included in the Handloom Mark scheme to get the benefits are Self Help Groups, Joint Liability Groups, Consortia, Producer companies, Handloom Weavers Groups or any other legal entity, organization involved in Handloom activities and approved by Development Commissioner for Handlooms with a one time registration fee of Rs.500.

Sale price of one label brought down from Rs. 1.25 at the time of launch to 60 paise in January, 2007. Application form are made available free of cost. The registration fee for individual weavers is reduced to Rs.25 from Rs.100 and for Master weavers to Rs.500 from Rs.2000.

PROGRESS OF HANDLOOM CENSUS

The National Council of Applied Economic Research (NCAER), New Delhi has been entrusted the work of conducting the third Handloom Census and Issue of Photo Identity Cards to all the eligible weavers and allied workers. Census work in 12 states has already been completed and in rest of the States is in progress. Against the revised estimated size of 25.50 lakhs handloom weavers household, 23.19 lakh households have already been canvassed till 14.12.09. The Census work is likely to be completed by the mid of the year 2010.

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, and efforts are being augmented during the 11th Five Year plan on the core issues for the development of the sector.

- Providing Infrastructural support for production & Exports
- Improve quality & product diversification with more awareness for both stakeholders & consumer.
- A greater role for NGO as implementing partners and participation of private resources - both human and financial.

In view of the 3% growth annually in Handicrafts sector, 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%, on the basis of this growth in the sector it is expected this employment to reach 80 lakhs by the end of 11th Plan.

The plan expenditure during the period also witnessed a steady growth increasing from Rs.71.65 crores in 2002-03 to Rs.220.00 crores in 2009-10. 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.12434.38 crores in the year 2002-03 to Rs.10,891.85 crores at the end of the year 2008-09 registering a cumulative decline 12.40%. The budget outlay for the year 2010-11 has been proposed for Rs. 285 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.

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 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.

Initially NTC Ltd. had an Authorised capital of Rs.10.00 crores which is now Rs.5000 crores as on 31 March, 2009 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 77 unviable mills and is in the process of reviving 24 mills directly by NTC. Revival of 5 mills through joint venture route with strategic partners has been finalised. Joint venture for remaining 11 mills is under consideration. 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.

NATIONAL INSTITUTE OF FASHION TECHNOLOGY (NIFT)

The National Institute of Fashion Technology was set up in 1986 is an autonomous Society in collaboration with the Fashion Technology (FIT), 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 Bareilly 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. New NIFT Centre at Kangra has been inaugurated on 21/1/2009. 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.

It is proposed to start 3 new centres at Bhubaneswer, Jodhpur and Mohali from the Academic Year 2010-2011.

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 RELATED TO PROGRESSIVE USE OF OFFICIAL LANGUAGE

Hindi is the Official Language of the Union of India and policy of the Government aims at progressively use of Hindi in official work. Effective steps have been taken during the year in the M/o Textiles to ensure the compliance with the Official Language Policy of the Government; implementation of the annual programme and compliance with the various orders of the Government of India on the recommendations of the Committee of Parliament on Official Language.

Compliance with the provisions of the Official Language Act, 1963

All documents such as resolutions, general orders, rules, licences, etc., under section 3(3) of the Official Language Act and all papers laid on the Table of both the

Houses of Parliament were issued bilingually, i.e. in Hindi and English. General orders meant for departmental use were issued in Hindi only.

Replies to letters in Hindi

All letters received in Hindi were replied to in Hindi.

Sections specified for working in Hindi

12 sections of the Ministry, specified for doing hundred per cent work in Hindi, are working satisfactorily.

Monitoring and inspections

In order to ensure compliance with the Official Language Policy, monitoring is done through reviewing the quarterly progress reports. During the year, Sections of the Ministry and attached organizations were inspected to ensure progressive use of Hindi and compliance with the Official Language policies.

Training of Officials

Many officials of the Ministry have already been trained in Hindi typing and Hindi stenography.

Use of Mechanical aids

As per the provisions of the Official Language Act, bilingual mechanical facilities have been provided on mechanical equipments in the Ministry.

Committees

The Departmental Official Language Implementation Committee under the Chairmanship of the Joint Secretary (In-Charge Hindi) in the M/o Textiles has been constituted. Quarterly meetings of the Committee were organized and important decisions for progressive use of Hindi in official work have been taken. Effective steps for ensuring compliance with these decisions and follow-up action, have also been taken.

Hindi Fortnight

Hindi Fortnight was celebrated from 1st September, 2009 to 14th September, 2009 in the Ministry. To encourage and motivate the employees for doing official work in Hindi, various competitions like Hindi essay, Hindi Noting & Drafting, Hindi Question and Answer, Story Writing, Hindi Debate, Hindi Poetry Recitation, Dictation, Hindi Typing competitions were organized. A large number of officers and employees participated in these events with enthusiasm. At the Valedictory Session, certificates and cash awards were given to the winners of the competitions by Secretary (Textiles). A compilation of prize winning entries was also published. On the occasion of Hindi Diwas appeal of the Hon'ble Home Minister, Minister of Textiles and Secretary (Textiles) were circulated in the M/o Textiles as well as in its Attached / Subordinate offices and PSUs for information and compliance.

CHAPTER II
FUNCTIONS &
ORGANISATIONAL SET-UP

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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, polyester 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 her duties by four Joint Secretaries, an Economic Advisor, and the Development Commissioners for Handlooms and Handicrafts, the Textiles Commissioner and the Jute Commissioner.

VISION

To build state of the art production capacities and achieve a pre-eminent global standing in manufacture and export of all types of textiles including technical textiles, jute, silk and wool and develop a vibrant handloom and handicraft sector for sustainable economic development and promoting and preserving the age old cultural heritage in these sectors.

MISSION

- To promote planned and harmonious growth of textiles by making available adequate fibres to all sectors.
- To promote technological up-gradation for all types of textiles

including technical textiles, jute, silk and wool.

- To promote skills of all textile workers, handloom weavers and handicrafts artisans, creation of new employment opportunities and development of new designs to make these sectors economically sustainable.
- To ensure proper working environment and easy access to health care facilities and insurance cover to weavers and artisans to achieve better quality of life.
- To promote exports of all types of textiles and handicrafts and increase India's share of world exports in these sectors.

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 moderisation 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 Governments, 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, Bengluru, 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) 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 has been dissolved on 24th November 2009. The constitution of new Board is underway.

(ii) 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.

(iii) 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.

(iv) 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 25, 2008, for period of two years. At present the Board has fifty-five members, including officials and non-official members.

(v) 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. New Board is being reconstituted.

(vi) 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 on-going 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. New Board is being reconstituted.

(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 Council is to be merged in the proposed National Jute Board.

5. STATUTORY BODIES

(i) National Jute Board

The National Jute Board is a new body under Ministry of Textiles, which will be the apex organisation for

coordinating and synergising the functions of all the Organisations and be a centre point for all jute related activities. The National Jute Board will also be responsible for implementation of the Jute Technology Mission in a centralised and coordinated manner and will help in speedily resolving the ills of Jute Industry in the matters of diversification and marketing of Jute Products as well as modernisation of Jute Mills.

The National Jute Board Bill 2006 has been passed by both the Houses of the Parliament in December 2008. Subsequently, the Bill received the assent of the President on 12.2.2009 and has been published as National Jute Board Act, 2008 (No. 12 of 2009).

National Jute Board, will have a membership of 34 persons, of which 15 will be Government representatives from Central Government and State Governments having stake in production and promotion of Jute Products and 19 Members from private jute related sector i.e. jute farmers, growers, research association, small and medium enterprises as well as three Members of Parliament. The Headquarters of the National Jute Board will be in Kolkatta, with regional representations in Jute growing areas and in other areas for marketing of the Jute Products.

The National Jute Board shall be constituted and shall come in operation in 2010-11.

(ii) 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 is being merged with the proposed National Jute Board.

(iii) 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 organises 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.

(iv) 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 has been reconstituted on October 14, 2009, for a period of two years. It consists of twenty five members, including official and non-official members.

(v) 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.

(vi) 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.

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

The list of organisations under the Ministry of Textiles is at Table 2.2.

Table 2.1

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

S.No.	Offices	Public/Staff Grievances Officer
1.	Ministry of Textiles	Shri S.S. Gupta Joint Secretary/Director (Public Grievances), Ministry of Textiles, Udyog Bhavan, New Delhi-110011. Tel.No. 23061826
2.	Office of the Development Commissioner (Handicrafts)	Shri H.L. Meena Dy.Director/Public Grievance Officer, O/o DC(HC), WB-7, R.K.Puram, New Delhi - 110066. Tel. No 26103708
3.	Office of the Development Commissioner (Handlooms)	Shri S.K. Jha, Addl Development Commissioner (HL)/Public Grievances & Redressal Officer, Udyog Bhavan, New Delhi. Tel.No.23063397
4.	Office of the Textiles Commissioner	Shri S. Balaraju Director (Vigilance) Public Grievances Officer, O/o the Textiles Commissioner, New C.G.O. Building, 48, New Marine Lines, Mumbai - 400020. Tel.No.022-22034134
5.	Office of the Jute Commissioner	Shri Sujit Pal Dy. Director (Cost) & 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

Table 2.2

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

Public sector Undertakings	Textiles Research Associations	Export Promotion Councils	Advisory Bodies	Registered Societies	Statutory Bodies
1. Birds Jute Export Ltd. (BJEL), Kolkata	1. Ahmedabad Textiles Industry's Research Association (ATIRA), Ahmedabad	1. Apparel Export Promotion Council (AEPC), New Delhi	1. All India Handloom Board	1. Central Wool Development Board (CWDC), Jodhpur	1. Central Silk Board (CSB), Bangalore
2. British India Corporation (BIC) along with its subsidiaries	2. Bombay Textiles Research Association (BTRA), Mumbai	2. Carpet Export Promotion Council (CEPC), New Delhi	2. All India Handicrafts Board	2. National Centre for Jute Diversification (NCJD), Kolkata	2. Commissionser of Payments (COP), New Delhi
3. The Central Cottage Industries Corporation of India Ltd. (CCIC) New Delhi	3. Indian Jute Industries Research Association (IJIRA), Kolkata	3. Cotton Textiles Export Promotion Council (TEXPROCIL), Mumbai	3. All India Powerloom Board	3. Sardar Vallabhai Patel Institute of Textiles Management (SVPITM), Coimbatore	3. Jute Manufactures Development Council (JMDC), Kolkata
4. The Cotton Corporation of India Ltd. (CCI), Mumbai	4. Man-made Textiles Research Association (MANTRA), Surat	4. Export Promotion Council for Handicrafts (EPCH), New Delhi	4. Coordination Council for Textiles Research Associations		4. Textiles Committee, Mumbai
5. The Handicrafts and Handlooms Exports Corporation of India Ltd. (HHEC), New Delhi	5. Northern India Textiles Research Association (NITRA), Gaziabad	5. Handlooms Export Promotion Council (HEPC), Chennai	5. Cotton Advisory Board		5. National Institute of Fashion Technology (NIFT), New Delhi
6. The Jute Corporation of India Ltd. (JCI), Kolkata	6. South India Textiles Research Association (SITRA), Coimbatore	6. Indian Silk Export Promotion Council (ISEPC), Mumbai	6. Jute Advisory Board		
7. National Handlooms Development Corporation Ltd. (NHDC), Lucknow	7. Synthetic and Art Silk Mills Research Association (SASMIRA), Mumbai	7. Powerloom Development & Export Promotion Council (PEDEXCIL), Mumbai			
8. National Jute Manufactures Corporation (NJMC), Kolkata	8. Wool Research Association (WRA), Thane	8. Synthetic and Rayon Textiles Export Promotion Council (SRTEDC), Mumbai			
9. National Textiles Corporation Ltd. (NTC), New Delhi		9. Wool and Woolen Export Promotion Council (WWEPC), New Delhi			
		10. Wool Industry Export Promotion Council (WOOL TEXPRO), Mumbai			

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 31.10.2009, there were 1834 cotton/man-made fibre textile mills (non-SSI) in the country with an installed capacity of 37.07 million spindles, 4,89,718 rotors and 56,524 looms.

Textile production covering man-made fibre, filament yarn and spun yarn is showing increasing trend. Man-made fibre production recorded a fall of about 15% and filament yarn production recorded a fall of about 6% during 2008-09. The Production of same during April-Oct (2009-10) is showing an increasing trend by 13% each (Provisional). The production of cotton yarn during 2008-09 recorded a fall of about 4% during 2008-09 and the same during April-Oct (2009-10) is showing an increasing trend by 5% (Provisional).

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

decreased by about 2% during 2008-09. Cloth production by mill sector showed marginal decrease of 1% during April-Oct. (2009-10) (provisional). During the same period cloth production by handloom, power loom and hosiery sector showed an increase of 2%, 12% and 11% respectively (provisional).

CAPACITY

There were 1834 cotton/man-made fibre textile mills (non-SSI) in the country as on 31.10.2009 with 37.07 million spindles, 4,89,718 rotors and 56,524 looms.

CAPACITY UTILISATION IN THE MILL SECTOR

The capacity utilization in the spinning sector of the organized textile mill industry ranged between 80 to 90% while the capacity utilization in the weaving sector of the organized textile mill industry ranged between 41 to 62%.

PRODUCTION OF SPUN YARN

It would be relevant to mention that the contribution from the SSI sector has been about 10% 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

(In Mn. Kg.)

Year	Cotton Yarn	Blended Yarn and 100% non-cotton yarn	Total Spun Yarn
2005-06	2521	937	3458
2006-07	2824	989	3813
2007-08	2948	1055	4003
2008-09	2898	1016	3914
2009-10(P) (April-Oct)	1744	627	2371

P - Provisional

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 loom age 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 and the same marginally increased to 0.57 lakh in October 2009.

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. The Cloth production in 2008-09 is 54966 mn. sq. mtrs. (Provisional). The cloth production during April-Oct (2009-10) showed an increasing trend by 10% (provisional).

The data on production of cloth in the mills, handlooms, powerlooms and hosiery sectors during the past sever years and the current year are given at table 3.3.

Table 3.2

Year	No. of Spinning Mills	No. of composite Mills	Total
2001-02	295	126	421
2002-03	349	134	483
2003-04	374	94	468
2004-05	376	99	475
2005-06	387	96	483
2006-07	380	87	467
2007-08	318	63	381
2008-09	339	64	403
Oct .09	347	69	416

Table 3.3
PRODUCTION OF CLOTH IN DIFFERENT SECTORS

MILL SECTOR (in million sq meter)

Item	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09 (P)	2009-10 (April-Oct)(P)
Cotton	1019	969	1072	1192	1305	1249	1259	726
Blended	263	253	243	252	330	422	426	245
100% Non Cotton	214	212	211	212	111	110	111	64
Total	1496	1434	1526	1656	1746	1781	1796	1035

HANDLOOMS SECTOR

Cotton	5098	4519	4792	5236	5717	6076	5840	3448
Blended	118	117	146	145	99	123	118	70
100% Non Cotton	764	857	784	727	720	748	719	424
Total	5980	5493	5722	6108	6536	6947	6677	3942

DECENTRALISED POWERLOOMS SECTOR

Cotton	6761	6370	7361	8821	9647	9923	9621	6252
Blended	4695	4688	4526	4632	5025	4918	4764	3096
100% Non Cotton	14498	15889	16438	17173	18207	19884	19263	12519
Total	25954	26947	28325	30626	32879	34725	33648	21867

DECENTRALISED HOSIERY SECTOR

Cotton	6422	6182	7430	8624	9569	9948	10178	6556
Blended	800	1010	1117	1269	1428	1425	1458	939
100% Non Cotton	659	655	565	525	507	431	441	284
Total	7881	7847	9112	10418	11504	11804	12077	7779

ALL SECTORS

Cotton	19300	18040	20655	23873	26238	27196	26898	16982
Blended	5876	6068	6032	6298	6882	6888	6766	4350
100% Non Cotton	16135	17613	17998	18637	19545	21173	20534	13291
Total	41311	41721	44685	48808	52665	55257	54198	34623
Khadi, Wool & Silk	662	662	693	769	724	768	768	448
Grand Total	41973	42383	45378	49577	53389	56025	54966	35071

P = Provisional

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 1.40 million numbers.

TECHNOLOGY UPGRADATION FUND SCHEME (TUFS)

The Technology Up gradation 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.1,86,804 crores upto 30.9.2009.

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 up gradation, 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 up gradation 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 power looms 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.



Union Minister of Textiles, Thiru Dayanidhi Maran at a Textiles Manufacturing Unit

- 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 27.11.2009 as given at table 3.5.

HANK YARN OBLIGATION SCHEME

The Hank Yarn Obligation (HYO) is a statutory obligation which enjoins upon

Table 3.4

(Rs. in crore)

Year	Received		Sanctioned			Disbursed		
	No. of applications	Project Cost	No. of applications	Project Cost	Amount	No. of applications	Amount	Subsidy
1999-00	407	5771	309	5074	2421	179	746	1.00
2000-01	719	6296	616	4380	2090	494	1863	70.00
2001-02	472	1900	444	1320	630	401	804	198.89
2002-03	494	1835	456	1438	839	411	931	202.59
2003-04	867	3356	884	3289	1341	814	856	249.06
2004-05	986	7941	986	7349	2990	801	1757	283.60
2005-06	1086	16194	1078	15032	6776	993	3962	485.00
2006-07	12336	61063	12589	66233	29073	13168	26605	823.92
2007-08	2408	21254	2260	19917	8058	2207	6854	1143.37
2008-09 (P)	6113	56542	6072	55707	24007	6111	21826	2632.00
2009-10 (upto Sept. 2009)	584	7065	583	7065	1158	584	1019	2576.00
As on 30.09.2009 (P)	26472	189218	26277	186804	79383	26163	67223	8665.438

Table 3.5

Sr. No.	Year	No. of units	Amount of subsidy released (Rs. in lakh)
1	2003- 2004	004	00.10
2	2004-2005	150	06.00
3	2005-2006	368	23.00
4	2006-2007	958	68.89
5.	2007-2008	436	35.92
6	2008-2009	404	32.48
7	2009-2010 (as on 27.11.09)	195	183.81
	TOTAL	2515	350.20

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 meet the total domestic requirement of hank yarn in the country as in the recent 62nd Hank Yarn Price Monitoring Committee meeting held in the Office of the Textile Commissioner, Mumbai on 31.07.2009, 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 are 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

Table 3.6

Year	No. of Units submitted the returns	Fulfillment of Hank Yarn Obligation (HYO)		Shortfall (-)/Excess (+) in fulfillment of HYO	Percentage of fulfillment of HYO
		HYO	Fulfillment of HYO (on actual packing basis)		
2004-05	2151	383.58	408.89	(+)25.31	106.60%
2005-06	1942	451.84	441.94	(-)9.9	97.81%
2006-07	2022	484.67	485.03	(+)0.63	100.13%
2007-08	2099	516.03	527.37	(+)11.07	102.14%
2008-09	2114	492.51	524.00	(+)31.49	106.39%
2009-10 (April,09 to June, 09)(P)	1939	126.88	126.15	(-)0.73	99.94%

- 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 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

Till 30.11.2009, under the Scheme, 43 units in Gujarat, 6 units in Tamil Nadu, 5 units in Maharashtra, 4 units in Madhya Pradesh, 1 units in Andhra Pradesh, 1 unit in Delhi, 1 unit in Kerala, 7 units in Karnataka, 2 unit in West Bengal and 3 units in Punjab i.e. 73 mills were found eligible under the scheme. A total of 10391 workers out of 133666 workers on rolls of these mills had been disbursed relief of Rs. 265.64 crore. The State-wise cumulative position is given at table 3.7.

Table 3.7

S. No.	State	No. of mills identified	No. of workers on roll	No. of workers benefited (as on 30.11.2009)		Disbursed amount (Rs. in crores)
				No. of mills	Workers received relief	
1.	Gujarat	43	80749	43	63591	159.44
2.	Maharashtra	5	5529	5	3969	9.67
3.	Madhya Pradesh	4	18977	4	17791	47.70
4.	Tamil Nadu	6	5685	6	4668	7.03
5.	Kerala	1	500	1	437	2.47
6.	Karnataka	7	9620	7	4933	17.19
7.	Andhra Pradesh	1	710	1	70	0.43
8.	Delhi	1	5187	1	5170	11.93
9.	West Bengal	2	1597	2	1324	2.19
10.	Punjab	3	5112	3	1947	7.59
	Total	73	133666	73	103901	265.64

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 decentralized 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) Technology Upgradation Fund Scheme launched by Government of India on 1st April, 1999, envisages boosting investment in high-tech processing units, by providing 5% interest reimbursement on TUF loans. The scheme has been extended for 11th five year plan.
- (ii) 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, so that the testing facilities are available within the reach of majority of manufacturers/exporters of textiles items.
- (iii) In order to boost investment in high tech capital intensive textile processing projects, a scheme to provide 10% capital subsidy on specified high tech machines has been introduced. The units put up Under this scheme may avail 5% interest reimbursement under TUFs, in addition to 10% capital subsidy. This facility has been extended for 11th five year plan.
- (iv) In order to develop textile clusters in an integrated manner the scheme of Textiles Centre Infrastructure Development (TCIDS) has been merged with Apparel Park Scheme and is now know as Scheme for Integrated Textiles Park (SITP). Under this scheme the textile parks with all infrastructural facilities including state-of-the-art effluent treatment plants are encouraged. The scheme provides for 40% subsidy on the project cost subject to the maximum of Rs.40 crore.

CHAPTER IV
EXPORTS

CHAPTER IV

EXPORTS

India's textiles and clothing industry is one of the mainstays of the national economy. It is also one of the largest contributing sectors of India's exports worldwide. The Vision Statement for the textiles industry for the 11th Five Year Plan (2007-12), inter-alia, envisages India securing a 7% share in the global textiles trade by 2012. At current prices the Indian textiles industry is pegged at US\$ 55 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) India's textiles & clothing (T&C) export registered 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 an increase of 9.28% over previous year and reached USD22.15 billion in 2007-08 denoting an increase of 15.7% but declined by over 5% in 2008-09 with exports of USD 20.94 billion. Indian Textiles and Clothing (T&C) exports is facing various 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 three years and current financial year for the period Apr-Sept.'2009 is given at table 4.1.

- iii) Readymade Garments account for almost 42% of the total textiles exports. Apparel and cotton textiles products together contribute nearly 72% of the total textiles exports.
- iv) The exports basket consists of a wide range of items comprising readymade garments, cotton textiles, handloom textiles, man-made fibre textiles, wool and woollen goods, silk, jute and handicrafts including carpets.
- v) 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.
- vi) The Government fixed the target for 2008-09 at US \$ 26.55 billion an increase of 20% over the actual performance of US\$ 22.14 billion in 2007-08, for export of textiles. However, no targets were fixed for 2009-2010.

Liberalised trading regime and emerging opportunities

In the liberalized post-quota period, India has emerged as a major sourcing

Table 4.1
India's textiles exports at a glance (Principal Commodities)

Item	2006-07		2007-08		2008-09		Variation		Apr-Sept' 2008		Apr-Sept' 2009		Variation	
	Rs. Crore	US\$ Mn	Rs. Crore	US\$ Mn	Rs. Crore	US\$ Mn	Rupee	US\$	Rs. Crore	US\$ Mn	Rs. Crore	US\$ Mn	Rupee	US\$
Readymade Garment	37506.17	8282.27	36497.79	9069.80	47110.00	10242.80	29.08%	12.93%	21494.70	5040.19	22005.39	4529.41	2.38%	-10.13%
RMG of cotton including accessories	31289.51	6909.48	30335.79	7538.53	38521.06	8375.36	26.98%	11.10%	17384.80	4076.48	17190.73	3538.40	-1.12%	-13.20%
RMG of Man-made fibre	4225.88	933.18	3912.26	972.21	4720.31	1026.30	20.65%	5.56%	2307.27	541.02	2905.33	598.01	25.92%	10.53%
RMG of other textile material	1990.78	439.61	2249.74	559.07	3868.63	841.13	71.96%	50.45%	1802.63	422.69	1909.33	393.00	5.92%	-7.02%
Cotton Textiles	25197.20	5564.15	27599.81	6858.63	21808.20	4741.60	-20.98%	-30.87%	11702.47	2744.06	8679.58	1786.53	-25.83%	-34.89%
Cotton raw including waste	6107.81	1348.75	8865.39	2203.07	2865.86	623.10	-67.67%	-71.72%	1652.75	387.55	1254.75	258.27	-24.08%	-35.15%
Cotton yarn, fabrics & madeups	19089.39	4215.40	18734.42	4655.56	18942.34	4118.50	1.11%	-11.54%	10049.72	2356.51	7424.83	1528.26	-26.12%	-35.15%
Man-made textiles	10863.39	2398.90	12785.02	3177.11	15088.11	3280.50	18.01%	3.25%	7861.55	1843.42	9174.25	1888.35	16.70%	2.44%
Manmade staple fibres	888.52	196.21	1121.72	278.75	1172.01	254.82	4.48%	-8.58%	669.59	157.01	734.77	151.24	9.73%	-3.68%
Manmade yarn, fabrics & madeups	9974.87	2202.69	11663.30	2898.36	13916.10	3025.68	19.32%	4.39%	7191.96	1686.41	8439.48	1737.11	17.35%	3.01%
Wool & Woolen textiles	1919.36	423.84	1783.13	443.11	2199.50	478.22	23.35%	7.92%	1132.21	265.49	1167.29	240.27	3.10%	-9.50%
Wool of Wool	1533.86	338.71	1409.55	350.28	1742.98	378.96	23.66%	8.19%	898.62	210.71	955.12	196.59	6.29%	-6.70%
Woolen yarn, fabrics & madeups	385.50	85.13	373.58	92.84	456.52	99.26	22.20%	6.92%	233.59	54.77	212.17	43.67	-9.17%	-20.27%
Silk	3196.89	705.95	2646.75	657.72	3106.98	675.53	17.39%	2.71%	1592.94	373.52	1362.85	280.52	-14.44%	-24.90%
RMG of Silk	1197.21	264.37	1083.67	271.78	1437.72	312.59	31.46%	15.02%	708.50	166.13	667.46	137.38	-5.79%	-17.30%
Natural silk yarn, fabrics & madeups	1976.90	436.55	1540.93	382.93	1664.03	361.80	7.99%	-5.52%	882.80	207.00	691.88	142.41	-21.63%	-31.20%
Silk waste	22.78	5.03	12.15	3.02	5.23	1.14	-56.95%	-62.34%	1.64	0.38	3.51	0.72	114.02%	87.87%
Handloom Products*														
Total Textiles	78683.01	17375.11	81312.50	20206.38	89312.79	19418.65	9.84%	-3.90%	43783.87	10266.67	42934.54	8837.29	-1.94%	-13.92%
Handicrafts	6181.00	1364.91	5844.12	1452.28	4939.56	1073.97	-15.48%	-26.05%	2577.73	604.44	1951.40	401.66	-24.30%	-33.55%
Handicrafts (excluding handmade carpets)	1981.91	437.65	2046.21	508.49	1375.48	299.06	-32.78%	-41.19%	716.44	167.99	459.52	94.58	-35.86%	-43.70%
Carpets (excluding silk) handmade	4066.73	898.03	3725.80	925.87	3505.37	762.15	-5.92%	-17.68%	1845.55	432.75	1472.87	303.16	-20.19%	-29.95%
Silk carpets	132.36	29.23	72.11	17.92	58.71	12.76	-18.58%	-28.77%	15.74	3.69	19.01	3.91	20.78%	6.02%
Coir & Coir Manufacturers	660.25	145.80	644.87	160.25	680.89	148.04	5.59%	-7.62%	343.91	80.64	380.12	78.24	10.53%	-2.98%
Coir & Coir Manufacturers	660.25	145.80	644.87	160.25	680.89	148.04	5.59%	-7.62%	343.91	80.64	380.12	78.24	10.53%	-2.98%
Jute	1178.39	260.22	1319.36	327.86	1375.80	299.13	4.28%	-8.76%	792.14	185.75	534.61	110.04	-32.51%	-40.76%
Floor covering of jute	291.08	64.28	317.56	78.91	251.58	54.70	-20.78%	-30.69%	129.72	30.42	133.31	27.44	2.77%	-9.79%
Other jute manufactures	269.18	59.44	322.22	80.07	491.71	106.91	52.60%	33.52%	286.96	67.29	173.06	35.62	-39.69%	-47.06%
Jute yarn	242.32	53.51	215.14	53.46	216.92	47.16	0.83%	-11.78%	121.33	28.45	62.36	12.84	-48.60%	-54.88%
Jute hessian	375.81	82.99	464.44	115.41	415.59	90.36	-10.52%	-21.71%	254.13	59.59	165.88	34.14	-34.73%	-42.70%
Total Textiles Exports	86702.65	19146.04	89120.85	22146.78	96309.04	20939.80	8.07%	-5.45%	47497.65	11137.50	45600.67	9427.23	-3.57%	-15.36%
% Textile Exports	15.16%	15.16%	13.59%	13.59%	11.47%	11.47%			10.23%	10.23%	12.31%	12.31%		
India's exports of all commodities	571779.29	126262.68	655863.52	162983.90	839977.96	182630.50	28.07%	12.05%	464450.35	108906.77	372096.02	76589.13	-19.88%	-29.67%

Source : Foreign Trade Statistics of India(Principal Commodities & Countries), DGCI&S for export figures in Rupee and Department of Commerce(Intranet) -Exchange rate
*Handloom Products has been included as commodities first time in 2009-10

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, Kellwood, 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 fulfil this increased demand.

Export performance in the current year

In 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, high 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 went 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 or buyers opted for cheaper prices elsewhere.

Country-wise analysis

- The calendar year 2008 since the month of August onwards was not at all conducive for the Indian T&C export as the major markets like USA, EU and Japan for T&C have been observing recessionary trends and financial crisis. In this environment, the textiles and auto sectors are the worst hit sectors, particularly as these are considered to flourish in good times. USA, the single largest importer of textiles and clothing items, observed a negative growth of 13.22% and 10.3% in its imports of T&C from the world and India, respectively in calendar year 2009. Even China which occupied about 37% market share in the USA recorded a small decline of 1.9% during same period. Almost all major countries showed negative growth in US market.
- India's position in the EU markets with a share of 7.67% and growth rate of 6.42% was small in comparison to China which occupied over 38% market size with a growth of 20.46% in 2008. The EU's overall T&C import registered a growth of 13.91% in 2007 and 7.32% in 2008. In the calendar year 2009, EU's overall imports of T&C declined by 11.96% while India recorded a negative growth of 8.94% over 2008. Even China and Turkey, the two largest exporters of T&C to EU have recorded a negative growth of 6.15% and 17.42% respectively during same period.

Import Scenario

Total textiles imports were of the order of US\$ 3.5 billion in 2008-09. 44% of this was on account of import of yarn and fabrics and 46% was on account of import of raw material and semi-raw-material.

The imports have increased by 5.19% during 2008-09 in dollar terms. However, import of textiles as percentage of total imports has been going down steadily and comprised only 1.20% in 2008-09.

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:

Stimulus Scheme announced on 07.12.2008

- General reduction of 4% in CENVAT rates. As a result, the textile machinery had 10% (Previously 14%) and Non-cotton textile have 4% (Previously 8%) CENVAT rate.
- 4% optional CENVAT on cotton textiles has been abolished.
- NAPTHA has been exempted from import duty (Previously 5%) for use in the power sector.
- Rate of C. Excise duty on cotton textiles reduced from 4% to Nil.
- (Notification No.59/2008 (C. Excise dated 07-12-2008).
- The benefit of Service Tax refund (Already available to 19 other services, which are not in the nature of "input services" but could be linked to export goods.) is now extended to service provided by a clearing & forwarding agent to exporters.
- The Threshold limit of refund of service tax paid by exporters on foreign commissioner agent service has been enhanced from 2% of FOB value to 10% of FOB value of exports.
- Draw back benefit can now be availed of simultaneously with refund of service tax paid in respect of exports.
- Pre and post - shipment export credit for certain specific sectors including textiles belongs to SME sector is being made more attractive by providing an interest subvention of 2% upto 31/03/2009 subject to minimum rate of interest 7% per annum.
- An additional allocation of Rs. 1400 crore will be made to clear the entire backlog in TUF Scheme.
- All items of handicrafts will be included under 'Vishesh Krishi & Gram Udyog Yojana, All items of Handicraft included under Vishesh Krishi & Gram Udyog Yojana (VKGUY) Scheme, under which exports are eligible for Duty Credit Scrip equivalent to 5% of FOB value.
- To boost collateral free lending, the current guarantee cover under Credit Guarantee Scheme for Micro and Small enterprises on loans will be extended from Rs.50 lakh to Rs.1 crore with guarantee cover of 50 percent.
- Government back-up guarantee for ECGC to the extent of Rs. 350 crores to enable it to provide Guarantees for exports to difficult markets/products, to continue the single buyer policy.
- Additional fund of Rs. 1100 crores for refund of Terminal Excise Duty (TED)
- Additional provision of Rs.350 crores for export incentive schemes.

Scheme announced on 02.01.2009

- The DEPB Scheme extended till December 31, 2009 and resorted the

rates at those prevailing prior to 5th November 2008.

- Restored DEPB Credit rates to those prevailing prior to 1-9-2008. However, no benefit to exporters of cotton textiles since there was no reduction the DEPB rates for cotton textiles.
- Decided to remove the all- in- cost ceilings on External Commercial Borrowings.
- Duty Drawback revised rates/value caps with retrospective effect i.e. w.e.f. 1-9-2008 -
- Increased Value cap for Cotton Yarn from Rs. 8/- per Kg to Rs. 12/ per kg for Grey Yarn and from Rs. 14 per kg to Rs. 16 per kg for Dyed yarn
- Increased rate of Drawback for Cotton Knitted Fabrics from 4.5% to 5% and value cap from Rs. 14 per kg to Rs.15.60 per kg.

Interim Budget 2009-10

- General rate of Central Excise Duty is reduced from 10% to 8%. As a result Central Excise Duty on Textile Machinery is reduced from 10% to 8%.
- Rate of Service Tax on taxable services is reduced from 12% to 10%.

Stimulus Package Scheme announced on 24.02.2009

- Customs Duty - The facility of exemption from Basis Customs Duty on imports of Naptha for generation of Electric energy is being extend beyond 31-03-2009.
- Excise Duty -
 - General Reduction in Excise Duty rates by 4% made wef 7-12-2008 is being extended beyond 31-03-2009

- Further reduction in the rate of Excise Duty by 2%; i.e. from 10% to 8%
- Retaining the rate of Central Excise Duty on goods currently attracting Ad-Valorem rates of 8% and 4% respectively.

- Service Tax - The rate of Service Tax on taxable services has been reduced from 12% to 10%.
- Exemption from Income Tax for SEZ/s - Removed the anomaly in computation of export profits with reference to the total turnover of the assesses in SEZ/s.

Major supplementary Trade Facilitation Measures announced on 26.02.2009 under Foreign Trade Policy 2009-2014

- Rupees 325 crore provided under promotional Schemes for Leather, Textiles etc., for exports made with effect from 1.04.2009. It is in the form of 2% duty credit scrip of FOB value of exports under market linked focused product scheme exclusively for exports into US and EU.
- Benefit of 5% duty credit script of FOB value of exports under Focus Product Scheme has been notified for exports of handmade carpets, in lieu of 3.5% benefit allowed earlier under VKGUY scheme (Vishesh Krishi and Gram Udyog Yojana).
- Technical Textiles has been added under High-Tech Products Export Promotion Scheme and now entitled to duty credit scrip equivalent to 1.25% of FOB value of exports.
- Under EPCG scheme, in case of decline in exports of a product by more than 5%, the export obligation of that product is to be reduced proportionately. This provision has

been extended for the year 2009-10, for exports during 2008-09.

- DEPB/Duty credit script utilization extended for payment of duty for import of restricted items also.
- Procedure for claiming duty drawback refund and refund of terminal excise duty further simplified.
- Re-credit of 4% SAD, in case of payment of duty by incentive scheme scrips such as VKGUY, Focus product and Focus Market, was allowed.
- Export obligation period against Advance Authorizations extended up to 36 months.
- Permitted supply of intermediate product/s by the domestic producer directly from the factory to the port of shipment against Advance Intermediate Authorization.
- Dispensed with the requirement of MODVAT/CENVAT certificate in cases where the Customs Notification itself prescribed for payment of CVD, in respect of Advance Licences issued prior to 01-04-2002.
- Export House - Reduced the threshold limit for recognizing Premier Trading Houses from Rs. 10,000 crore in the preceding three years and current year to Rs. 7,500 crore.

Scheme announced on 04.03.2009

- The Government announced facility of refund of service tax paid on all input services, irrespective of whether they are consumed inside or outside the zone, to Special Economic Zones (SEZ) units and developers. Previously, the government exempted SEZ developers/units from paying a tax on services that were consumed within the zone.

Other Facilitation Measures

- Re-imbusement of Additional Duty of Excise levied on fuel under the Finance Act would also be admissible in respect of EOU's.
- Re-credit of 4% SAD, in case of payment of duty by incentive scheme scrips such as VKGUY, FPS and FMS, has now been allowed.
- Simplification of the provision for getting refund of Terminal Excise Duty/Deemed Export Benefits and now exporters can submit a statement certified by Central Excise Authorities in lieu of individual invoices and a monthly statement confirming duty payment in lieu of ER-1/ER-3.
- Krishnapatnam seaport included for the purpose of Export Promotion Schemes.
- Electronic Message Transfer facility for Advance Authorization and EPCG Scheme established for shipments from EDI ports w.e.f.01-04-2009.
- Requirement of hard copy of Shipping Bills dispensed with for Export Obligation discharge.

RBI (25-03-2009)

- The validity of interest subvention at 2% on Pre Shipment Credit upto 270 days and Post Shipment Credit upto 180 days was extended from 31-03-2009 to 30-09-2009 and subsequently extended upto 31-03-2010.

Major incentives introduced under Foreign Trade Policy (2009 - 2014)

- Incentive Schemes have been expanded by addition of new products and markets.
- 26 new markets have been added

under the Focus Market Scheme. These include 16 new markets in Latin America and 10 in Asia-Oceania.

- The incentive available under Focus Market Scheme (FMS) has been raised from 2.5% to 3%.
- The incentive available under the Focus Product Scheme (FPS) has been raised from 1.25% to 2%. This covers a large number of products from various sectors have been included for benefits under the FPS. These include Jute and Sisal products, Technical Textiles and vegetable textiles.
- Market Linked Focus Product Scheme (MLFPS) has been greatly expanded by inclusion of products classified under as many as 153 ITC(HS) Codes at 4 digit level. This covers textiles madeups, knitted and crocheted fabrics.
- MLFPS benefits also extended for export to additional new markets for certain products. These include apparels among others.
- Higher allocation for Market Development Assistance (MDA) and Market Access Initiative (MAI) scheme is being provided.
- To aid technological Upgradation of export sector, EPCG Scheme at Zero Duty has been introduced for apparels and textiles among others.
- To impart stability to the Policy regime, Duty Entitlement Passbook (DEPB) Scheme is extended beyond 31-12-2009 till 31.12.2010.
- To simplify claims under FPS, requirement of 'Handloom Mark' for availing benefits under FPS has been removed.

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.

Export Promotion Activities of EPCs

During the year 2009-10, the EPCs continued export promotion activities of textiles exports. These included participation in overseas exhibitions/fairs, organisation of Buyer-seller-Meets (BSMs) abroad and, 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 52 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.

SARDAR VALLABHBHAI PATEL INSTITUTE OF TEXTILE MANAGEMENT (SVPITM)

Sardar Vallabhbhai Patel Institute of Textile Management (SVPITM), Coimbatore is a National Level Autonomous Institution providing comprehensive education, training, consultancy and research in textiles management. The Institute has been set up by the Government of India, Ministry of Textiles and the Textiles Industry, registered under the Tamil Nadu Societies Registration Act, 1975 to cater to the long-felt need for management courses specializing in textiles.

Under the overall directions of the Board of Governors, chaired by the Secretary, Ministry of Textiles, Govt. of India, Academic Committee, chaired by the Joint Secretary, Ministry of Textiles, Govt. of India and the Executive Committee, chaired by Shri R.Poornalingam, I.A.S. (Retd.), former Secretary (Textiles), Government of India, the day-to-day academic and administrative activities of the Institute are carried out by the Director with the support of faculty and staff members.

The Institute got All India Council for

Technical Education (AICTE) approval recently and is offering the following long-term programmes:-

1. Two-year full-time Post-Graduate Diploma in Management (Textiles)
PGDM(T)
2. Two-year full-time Post-Graduate Diploma in Management (Apparel)
PGDM(A)

Apart from full time courses, the Institute also organises innovative Executive Development Programmes to arm executives in the industry with the knowledge and tools needed to compete and win in today's globalised economy. The Institute had conducted number of Conferences / Short-term / Management Development Programmes (MDP) from its inception. The Institute is also offering comprehensive consultancy services in the areas of Textile Technology and Textile Management including Marketing, Finance and Human Resource to the needy companies.

The year-wise funds released to the SVPITM by the Government is given at table 4.2.

Table 4.2

Financial year	Amount released (in Rupees)
2003-04	9,00,000.00
2004-05	3,91,00,000.00
2005-06	2,00,00,000.00
2006-07	5,00,00,000.00
2007-08	9,18,00,000.00
2008-09	4,27,81,000.00
2009-10	3,57,00,000.00
Total	28,02,81,000.00

EXPORT PROMOTION, INFRASTRUCTURE AND TECHNOLOGY UPGRADATION MEASURES

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.128.69 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 Pashmyrlaram-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 4 projects; works in 13 projects are expected to be completed in 2010. Implementation of remaining 1 project may go beyond 2010. Assistance of Rs.207.17 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 (5), Gujarat (7), Karnataka (1), Madhya Pradesh (1), Maharashtra (9), Punjab (3) Rajasthan (6), Tamil Nadu (7), 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. 4141.35 Crore, of which Government of India assistance under the scheme would be Rs. 1422.43 Crore. 2216 entrepreneurs will put up their units in these parks covering an area of 4334 Acre. The projected investment in these parks is Rs. 19,459 Crore and estimated annual production is Rs 33,587 Crore. After these parks are fully operational there would be employment available for 8.19 lakh persons (3.15 lakh direct & 5.04 indirect). So far assistance of Rs. 772.36 Crore has been provided for execution of these projects. The promoters of these textiles park projects have brought in Rs.1800 Crore (approx.) as their contribution. First Textiles Park, viz. Palladam HiTech Weaving Park, Palladam, Tamil Nadu was inaugurated on 19.04.2008. Pochampally Handloom Park, Andhra Pradesh was the second park inaugurated on 16.11.2008. Komarapalayam HiTechweaving Park, Komarapalayam, Tamil Nadu was inaugurated on 21.02.2009. In Dodballapur Integrated Textile Park, Bangalore, Karnataka, Rapier Weavers' training facility was inaugurated on February 28, 2009. Gujarat Eco Textile Park, Surat, Gujarat was inaugurated on 09.09.2009. Brandix India Apparel City, Vishakhapatnam, Andhra Pradesh, and Pride India Cooperative Textile Park, Ichalkaranji, Maharashtra are also complete. Remaining projects are likely to be completed in 2010/11.

NATIONAL INSTITUTE OF FASHION TECHNOLOGY (NIFT)

The National Institute of Fashion Technology was set up in 1986 is an autonomous Society in collaboration with the Fashion Technology (FIT), 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 Bareilly 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. New NIFT Centre at Kangra has been inaugurated on 21/1/2009. 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.

It is proposed to start 3 new centres at Bhubaneswer, Jodhpur and Mohali from the Academic Year 2010-2011.

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

NIFT has been conferred the status of Statutory body by an Act of Parliament whereby NIFT awards Undergraduate and Post Graduate Degree in the field of Design, Management and Technology.

The Degree programmes offered by NIFT at Undergraduate level (4 years) are as under:

1. Bachelor of Design B. Des (Design)

- Fashion Design
- Leather Design
- Accessory Design
- Textile Design
- Knitwear Design
- Fashion Communication

2. Bachelor of Fashion Technology (B. FTech.) - Technology

- Apparel Production

The Post Graduate degree programmes offered by NIFT are as under:-

3. Post Graduate Programme

The Post Graduate degree programmes offered by NIFT are as under:-

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

The Post Graduate degree programmes are of two years duration.

Apart from the above, NIFT from this year onwards has started Ph.D, Faculty Development Programme (FDP) and Bridge Programme.

The introduction of these programme will serve to build essential knowledge resource and develop core competency and transform NIFT into centre of excellence in these specific areas of Design, Management and Technology. Bridge Programme is introduced as supplementary programme that would allow former NIFT Graduates to enhance their diplomas into degrees.

Industry Linkages

Industry Linkages of NIFT are symbiotic with industry experts contributing to the curriculum development and deliver, projects, placements and training. NIFT Campus Placement 2009 was organized during Jan-Feb 2009 and second phase during June 2009. Second phase placement was organised in two phase

during June 2009. Second phase placement was organized in clusters like Tripur, Ludhiana, Jaipur in close coordination with different industry associations apart from NIFT centres. The class of 2009 was successfully placed in various sectors.

International Linkages

1. MOUs/ Strategic alliances

In the academic year spanning 2009-10, five new (domain specific) MOUs have been signed for various activities like student and faculty exchange, research, customized programmes, Seminars etc.

- Accademia Di Costume E Di Moda, Rome
- Politecnico di Milano, Italy
- Shenkar College of Engineering & Design, Israel
- Colorado State University, Colorado, USA
- Academy of Arts, San Francisco

2. International Competitions for NIFT Students

- Competition for Fashion and Product Design Context organized by Bonjour India, Festival de la france en Inde.
- New Designer Fashion Grand Prix, contest, sponsored by Japan Fashion Week Promotional Organization.

3. International Scholarship for semester study for NIFT students:

NIFT has been discussing the issue of scholarships for students to cover incidental and other expenses with various universities. As a result of such interactions, Queensland University of Technology (QUT), Australia, has decided to award 05

scholarships worth AUD \$ 5000 each to students from India. QUT has allotted all 05 scholarships for exchange in 2010 to NIFT students. These scholarships shall be over and above the tuition fee waiver to the students.

4. MA scholarship for NIFT Students

- University of the Arts London (**London College of Fashion**) offered one full Scholarships for students from India for MA program in Design Management for the Fashion Industries, Fashion Entrepreneurship & Strategic Fashion Marketing
- **Creative Academy**, Italy offered one full scholarship for NIFT students for MA program followed by 03 months internship.
- **NABA, Italy** offered 3 scholarships (25%) for MA in Textile Design and New Materials.
- **Istituto Superior di Design, Italy** offered one MA full Scholarship to NIFT students

5. Scholarship for International Graduation Project

ENSAIT, France provided full scholarship to one student for Graduation Project.

6. Student Twinning / Exchange of NIFT students is at table 4.3.

7. Details of Foreign Students who have undertaken the Study Abroad at NIFT is given at table 4.4.

8. Customized Summer Program (Exchange) & short-term programs for NIFT students and faculty members

Table 4.3

	Name of Foreign School	NIFT Centre	No. of Students	Remarks
Jan-June 2009	ENSAIT, France	Kolkata, Delhi & Chennai	08 students from DFT department	Free seats
	London College of Fashion, UK	Delhi	03 students from Fashion and Apparel Department	Free seats
	Queensland University of Technology, Australia	Kolkata & Delhi	02 students form DFT and KD department	Free seats
	RMIT	Delhi & Kolkata	02 students from KD department	Free seats
	Ryerson University, Canada	Mumbai	01 student from FC department	Free seats
	University of Leeds, UK	Kolkata	01 student from KD department	Paid Seat
	University of Manchester, UK	Delhi	01 student from KD department	Free seat
July-December 2009	Amsterdam Fashion Institute, AMFI	Bangalore	01 student from MFM	Free Seat
	London College of Fashion, UK (University of the Arts, London)	Kolkata	02 students from FD	Free seat
	NABA	Delhi	02 students from F&LA department	Paid seat
	Queensland University of Technology, Australia	Kolkata	03 students from DFT and TD department	Free seat

Table 4.4

Semester of Exchange	Name of Foreign Institute	Host Dept. at NIFT	No. of students
July-December 09	Queensland University	F&T & FD	05
	Mod Art International	UG Tech	01

Various Customized short term summer program were successfully completed with full scholarship at the Foreign University. The detail is given at table 4.5.

9. Incoming foreign students under customized programs

Various Customized short term summer programs were successfully completed at NIFT. The detail is given at table 4.6.

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. Approx. 8000 artisans living below the poverty line in the States of Karnataka, Madhya Pradesh, Gujarat, Kerala and West Bengal have been benefited by this initiative as on March' 09.

NIFT Emporium in Rajiv Gandhi Bhavan in New Delhi set up as a part of our Cluster Development initiative, is a logical

Table 4.5

Name of Institute	Type of Program	Details
Swiss Textile of College	Customized Summer Course	10 students across NIFT Centers
	Customized Summer Course	01 faculty member from NIFT-Bangalore
Domus Academy	Summer Course Domus Academy provided 02 freeship for NIFT Faculty member.	01 faculty member from NIFT Kolkata and 01 from NIFT Bangalore

Table 4.6

Sr. No.	Name of Institute	Type of Program	Details
1.	Philadelphia University	Customized Program at Delhi	13 Students
2.	Swiss Textile College	Customized summer program at Bangalore	8 Students
3.		Customized summer program at Bangalore	01 Faculty member from Swiss Textile College
4.	Wolver Hampton College	Customized Program at NIFT Kolkata	14 students and 01 faculty from Wolver Hamton College

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 case studies to students and faculty.

DCHC project has been sanctioned for three design studios each at Delhi, Kolkata and Gandhinagar which have been established and one museum at Delhi which is functioning at NIFT Emporium, Rajiv Gandhi Bhawan, Baba Khadak Singh Marg, New Delhi.

All three Design Studios established under the Project is fully functional with highly equipped facility resources. As per the deliverables under DCHC project, Design Gallery has been set up with magazines, periodicals and products developed under the workshop.

A fully equipped design studio has been established with state of the art technology in order to facilitate the beneficiaries with design solutions, digital transformations, archival purposes and access to technology at the grass root level with facilities like laptop, digital camera and DLP projector has been established at Design Studio Gandhinagar.

Need based workshops aimed to provide Design intervention for upgrading the skills of the artisans and to develop new design products that have a contemporary look and have a ready market are undertaken on a regular basis.

Recent activities include Workshop on

Handmade Ceramics in Jharsa Gaon, Gurgaon for 15 days, involving 17 artisans to develop contemporary style ceramics products, the range designed & developed included Garden Décor, Desk Top Accessories, Home Décor and Bathroom accessories. A 15 days workshop was also conducted in Handmade Art paper at Hauzrani Village involving 14 artisans which helped the artisans to upgrade their skills by enabling them to use handmade paper and fabricate value added items to cater the needs of markets by evaluating handmade paper advantages and eliminating its shortcomings. The range developed during this workshop included Corporate Accessories, Complete Desktop set, Home Décor and Packaging. A total of 18 workshops have been conducted under Sampling/prototype workshop & Design Intervention/Training in which total 396 artisans have been involved across three DCHC- Design Studios.

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.

RESEARCH

The expertise of NIFT faculty in their respective areas of specialization is respected in the industry. With the emphasis laid on **applied research at NIFT**, new knowledge base is continuously generated. Seven faculty members were awarded their PhDs in the year 2008-09. They are Dr. Sanjeev Kumar, Dr. Nidhi Sharda from NIFT Bangalore, Dr. A. K. Khare from NIFT Kangra, Dr. Sibichan Mathew, Dr. Nilanjana Bairagi and Dr. Senthil Kumar from NIFT Delhi and Dr. Sougata Banerjee from NIFT Kolkata.

NIFT faculty publishes and presents papers extensively. It will be difficult to enumerate all their achievements, however a few significant events where NIFT was represented are:-

Four papers were presented at the **86th Textile Institute World Conference** held at Hong Kong in 2008. Prof. (Dr.) Sanjay Gupta, Delhi presented a paper on "Innovation In Fashion: Introducing a New Product Development Process in Design Education"; Prof. Prabir Jana, Delhi presented a paper on "Objective Evaluation of sewing work place"; Mr. Shakeel Iqbal, Hyderabad presented a paper on 'Effect of Different Parameters on the Properties of Fancy Multicount Yarns'; and Ms. Sudeshna Datta Roy, Gandhinagar presented a paper on "Smart Colorants for Textiles".

Four papers were presented at the **Annual Conference of International Foundation of Fashion Technology Institutes (IFFTI)** held at London in April 2009. Prof. (Dr.) Sanjay Gupta, Delhi presented a paper

on 'Encapsulating Physical & Emotional Well-being in Fashion Clothing'; Prof. Sudha Dhingra, Delhi presented a paper on 'Textiles with a Healing Touch'; Ms. Varsha Gupta, Delhi presented a paper on "Recycling of Textile waste in a cluster and its Contribution to the Socio-Economic Upliftment of the Community"; and, Ms. Harleen Sahani, Gandhinagar presented a paper on "Sustainability Clean & Green Fashion".

Five papers were presented at the International Conference on 'Technical Textiles in Apparel Sector' organized by NIFT at Bangalore 2008. Dr. (Prof.) A.K. Khare & Mr. Vasant Kothari, Bangalore presented on "Next Generation Garment"; Mr. Vasant Kothari, Bangalore presented on "In Sight on Ultra Violet Protective Textiles and its Relevance in Kidswear"; Ms. Sudha Singh presented on "Advanced E textiles, Wearable Interface for the Healthcare"; Ms. Nitya Venkataram on "Product Modification" and Ms. Jonalee Bajpai, Ms. Shipra Sharma & Ms. Sweta Jain on "Coconut Technology for Knitted Golf Wear".

Dr Reena Aggarwal, Mumbai presented paper on 'Effect of Processing Parameters on Felting Ability of Wool Fibres' at the 4th International Textile, Clothing & Design Conference - Magic World of Textiles Dubrovnik, Croatia.

Dr Reena Aggarwal also presented 'Effect of Physical Parameters on Felting Ability of Wool Fibers with reference to Rajasthan Wool Felt Industry' at the 6th International Conference of Textile Research Division, National Research Centre, Cairo, Egypt.

Three papers were presented at the International Conference on 'Apparel Industry Global Challenges & Opportunities 2009 & Beyond' organized by Team Tech Textiles, Bangalore'08. Ms. Manjusha Khare, Kagnra presented paper on "Tactic Textiles"; Mr. Mohan Kumar and Dr. Nidhi

L. Sharda, Bangalore presented a paper on "Designing of Knit Plan for Women's wear: Knitting machine to showroom production technology"; and Dr. Nidhi L. Sharda presented a paper on "Extraction Dyeing & Evaluation of Myrica Esculanta on wool fibre :Revival of natural dyes in Garhwal Himalayas".

Dr. A K Khare, Kangra published a paper on "Reliability Analysis of a System of Boiler used in Readymade garment Industry" in Journal of Reliability & Statistical Studies.

Ms. Tulika Mahanty, Delhi presented a paper on "Balancing decent work with competitiveness in the era of changing global labor market - A case study of Labor Market in the Garment Sector of Bangladesh." in International Textile Conference & Exhibition held in Bangalore from 16-18th April'09.

Dr. Vandana Bhandari, Delhi presented a paper on "Gold and Silver - the Glittering Threads of Rajasthan" at Jaipur Literary Festival, 2009.

Prof. (Dr.) Sanjay Gupta presented a paper on 'Fair Participation for Home Furnishing Exporters' in a seminar on 'Strategies for enhancing export competitiveness' organised by HEPC in Delhi and Chennai.

Dr. M. Vasantha, Associate Prof - Presented a paper on "Design Concepts & Colour Trends for Export Market" in a seminar on 'Strategies for enhancing export Competitiveness' organised by HEPC in Chennai.

A number of papers were published in leading international and national journals/magazines such as ATA Journal, Stitch world, apparel online, DFU, Images etc.

Still more prestigious is the fact that faculty is now **contributing Chapters to**

leading International publications. Dr. Vandana Bhandari contributed a chapter to Berg Encyclopedia of World Dress and Fashion and Dr. Sanjay Gupta contributed a chapter to Advances in Wool Technology by Woodhead publishing.

Synchronization and benchmarking of the academic deliverance

In the process of standardization of academic deliverance the course curriculum- its content, delivery and evaluation process have been homogenized particularly so, across the 5 new centers that have been added since 2008. All the subjects are classified as theory, process and electives with all the theory subjects having a common examination and evaluation across NIFT centers and process based subjects having benchmarked assignments to bring parity in the course deliverance. The structure of the jury for all the process based subjects also has been standardized. This curriculum is effectively and efficiently running across all the NIFT centers.

Looking at future perspective, industry feedback session were organized across major textile & apparel Centres in India. The feedback will be discussed later in a faculty conclave for adoption.

NEW INITIATIVES

NIFT took 3 important initiatives to enhance its academic offerings this year.

Doctoral programme

The first was the launch of a Doctoral programme with the purpose of carrying out original research in textile, fashion and the apparel sector and to create a body of original knowledge for the use of academia and industry at large. The PhD programme is offered both to NIFT's own faculty as well as to external candidates in the areas of design, management and

technology as applied with broad reference to textile, fashion and apparel industries. A total of 42 applicants applied for against our call for admissions of which 10 have been admitted this year.

Bridge Program

Another initiative was to launch a Bridge Program for NIFT Alumni to enhance their diploma to degrees. Since NIFT was awarded the statutory status to award degree in 2007, there was a request from graduates of prior batches who were issued UG & PG Diplomas and who were facing difficulties in getting admission to higher education courses and for visa etc. A 6-month bridge programme for erstwhile PG programmes of NIFT i.e. GMT / PG Tech /AMM / AMMM / LD /TD /KD and FC, and a one year programme for UG courses of AD / FD has been offered. Over 176 candidates have applied this year out of which 63 were enrolled in

three different programmes in two different centres i.e. MFT and PG Design in NIFT Delhi and MFT in Gandhinagar. Due to the ongoing demand of the programme the new programme is announced which is due to start in January 2010.

Faculty Development Programme

The third initiative was undertaken to address the gross shortage of trained faculty from the areas of Fashion Design, Fashion Technology and Fashion Management at the national level and create a pool of interested, motivated and trained manpower in the field of Fashion Education. NIFT's Faculty Development Programme was introduced in 2009 to NIFT alumni as well as qualified bachelors degree holders from various streams of Design, Management & Technology. Twelve candidates have been registered for this course. The next program will be launched in 2010.

CHAPTER V

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



CHAPTER V

THE COTTON AND MAN-MADE FIBRE AND FILAMENT YARN INDUSTRY

Cotton is one of the principal crops of the country and is the major raw material for domestic textile industry. It provides sustenance to million of farmers as also the workers involved in cotton industry, right from processing to trading of cotton. The Indian textile industry consumes a diverse range of fibres and yarn, but is predominantly cotton based. The ratio of the use of cotton to man-made fibres and filament yarns by the domestic industry is about 56:46. Indian Textile Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textile industry also plays a pivotal role through its contribution to industrial output, employment generation and the export earnings of the country. It contributes about 14% to the industrial production, 4% to the GDP and 14.42% to the country's export earnings. The textile sector is the second largest provider of employment after agriculture. Hence, growth and all around development of cotton and cotton industry has a vital bearing on the overall development of the Indian economy.

Acreage under cotton cultivation

Acreage under cotton in India had been continuously increasing during last four years. However, during cotton season 2008-09 (October-September), the acreage under cotton cultivation had reduced marginally by around 1% at 9.37 million hectares as against 9.44 million hectares during 2007-08. Approximately 65% of Indian's cotton is produced on

rainfed areas and 35% on irrigated lands. Cotton farmers in India have been showing increasing inclination in bringing more and more areas under Bt cultivation, which has helped them in increasing their net earning through higher yields and lower cost on pesticides consumption. The acreage under Bt cotton in 2008-09 had been around 73% (6.88 million hectares) of the total area of 9.37 million hectares as against around 67% (6.33 million hectares) of the total acreage of 9.44 million hectares during season 2007-08.

Indian cotton varieties

India is the only country to grow all four species of cultivated cotton *Gossypium arboreum* and *herbaceum* (Asian cotton), *G. barbadense* (Egyptian cotton) and *G. hirsutum* (American Upland cotton). *Gossypium hirsutum* represents 90% of the hybrid cotton production in India and all the current Bt cotton hybrids are *G. hirsutum*. India produces large number of cotton varieties and hybrids. Though the number of varieties in cultivation exceeds seventy-five, 98% of the production is contributed by about 25 varieties only.

Cotton production and productivity

Cotton is produced in India in three zones viz., Northern zone comprising the States of Punjab, Haryana and Rajasthan, Central zone comprising the States of Maharashtra, Madhya Pradesh and Gujarat and Southern zone comprising the States of Andhra Pradesh, Karnataka

and Tamil Nadu. Besides these nine States, cotton cultivation has gained momentum in the eastern State of Orissa. During cotton season 2008-09, despite adverse agro-climatic conditions, the country once again harvested higher cotton production for the fifth consecutive year at 4.93 million metric tons (equivalent to 29.0 million bales of 170 kgs each). However, the same is lower by around 8% as compared to the record cotton production of 5.36 million metric tons (30.7 million bales) during 2007-08.

The adverse agro-climatic conditions,

insufficient rains in certain parts had affected the cotton yield during the year 2008-09 and the same had been at 526 kgs per hectare as against 567 kgs per hectare during cotton year 2007-08.

The higher cotton production in the country for the fifth consecutive year has been due to significant increase in acreage under Bt cultivation. The State-wise production of cotton during 2006-07, 2007-08 and 2008-09 cotton years (October-September) is given at table 5.1.

Table 5.1

Year	2006-07			2007-08*			2008-09*		
State	Area	Prod	Yield	Area	Prod	Yield	Area	Prod	Yield
State	Area	Prod	Yield	Area	Prod	Yield	Area	Prod	Yield
Punjab	6.07	24.00	672	6.04	20.00	583	5.27	17.50	554
Haryana	5.30	15.00	481	4.83	15.00	563	4.56	14.00	523
Rajasthan	3.50	9.00	437	3.69	9.00	416	3.02	7.50	572
North total	14.87	48.00	549	14.56	44.00	536	12.85	39.00	546
Gujarat	23.90	103.00	733	24.22	110.00	757	23.42	90.00	633
Maharashtra	31.07	50.00	274	31.95	62.00	330	31.33	62.00	336
Madhya Pradesh	6.39	19.00	505	6.30	20.00	539	6.25	18.00	467
Central total	61.36	172.00	477	62.47	192.00	520	61.21	170.00	466
Andhra Pradesh	9.72	36.00	630	11.33	46.00	714	13.99	53.00	670
Karnataka	3.78	6.00	270	4.03	8.00	351	4.08	09.00	392
Tamil Nadu	1.00	5.00	850	0.99	4.00	654	1.09	5.00	708
South Total	14.50	47.00	551	16.35	58.00	621	19.16	67.00	614
Others	0.71	1.00	239	0.76	1.00	425	0.84	2.00	347
TOTAL		268.00			295.00			278.00	
Loose lint		12.00			12.00			12.00	
GRAND TOTAL	91.44	280.00	521	94.14	307.00	560	94.06	290.00	526

*As per CAB meeting held on 29.08.2009

Demand and Supply Situation

During the year 2008-09, due to global economic slow down, coupled with severe power cut imposed in some cotton consuming States viz., Andhra Pradesh, Tamil Nadu etc., the performance of the textile industry was adversely affected. Due to sluggish demand domestically and world-over, the mills were finding it difficult to off-load yarn, fabrics and garments, resulting into piling up of inventory and the textile mills started making cash losses. As a result, the domestic cotton consumption which had reached a record level of 3.98 million tons in 2007-08 had reduced by around 6% to 3.76 million tons. With reduction in arrivals and with non-availability of quality cotton from February 2009 onwards, the domestic mills had started covering cotton for meeting their lean season requirements.

Export & Import of cotton

As a part of measures to boost cotton trade, the Government of India had liberalized raw cotton exports since July 2001, dispensing with the system of allocation of cotton export quota in favour of different agencies and traders. Exports of cotton from the country are under Open General Licence (OGL) since July

2001. During the year 2008-09, the cotton exports from the country are expected to decline to 0.85 million MT (5.00 million bales of 170 kgs each) including 0.01 million MT (0.04 million bales of 170 kgs) by the Cotton Corporation of India, a marketing agency of Government of India.

Imports of cotton into India are under Open General Licence (OGL) since April 1994. From 8th July 2008, the Government of India has abolished the import duty of 10% alongwith countervailing duty of 4% on cotton imports. Thus, the textile mills in the country are at liberty to import cotton as per their requirements.

The details of imports of cotton during last five years are given at table 5.2.

Cotton Exports from India is given at table 5.3.

Price trend of cotton during 2008-09

During the cotton season 2008-09, the cotton prices right from the beginning of the season had been ruling higher by around 7 to 39% as compared to the previous year. However, from the second week of October 2008 till second week of March 2009, there was declining trend in the

Table 5.2
Cotton Imports

Year	Qty. (in lakh bales of 170 kgs each)	Value in Rupees / crores
2004-05	12.17	1338.04
2005-06	5.00	695.77
2006-07	5.53	752.29
2007-08	6.38	986.33
2008-09	10.00	NA
2009-10 (E)	7.00	NA

Quantity figures as per CAB

Value figures as per DGCIIS Kolkata

Table 5.3
Cotton Exports

Year	Qty. (in lakh bales of 170 kgs each)	Value in Rupees / crores
2004-05	9.14	657.34
2005-06	47.00	3951.35
2006-07	58.00	5267.08
2007-08	88.50	8365.98
2009-09	35.00	3825.10
2009-10 (E)	55.00	NA

Quantity figures as per CAB

Value figures as per DGCIS Kolkata

cotton prices. From second week of March 2009, the domestic cotton prices have started ruling steady. The volatility and uncertainty in international prices directly influenced domestic cotton prices. With the expiry of MFA in January 2005, the Indian cotton prices are now fully integrated with the international cotton prices.

Minimum Support Price (MSP)

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.
- vi) Coordination with other certifying agencies.

International Cotton Adviosry Cotton 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 intergovernmental organization composed of countries that produce, consume and trade cotton and is designed to promote cooperation in the solution of cotton problems, particularly those of international scope and significance. The ICAC is

working with WTO to facilitate international trade discussions. ICAC is a scientific and economic organization devoted to improvement of the world cotton sector and it is not a political body 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 68th meeting of the ICAC, took place in Cape town, South Africa from 7th to 11th September 2009.

COTTON CORPORATION OF INDIA (CCI)

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

1. 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
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.

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 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.

Under MM-III, development of 250 market yards have been approved with a total outlay of Rs. 489.27 crores out of which the TMC share is Rs. 253.38 crore.

Under MM-IV, Modernization of 1011 Ginning and Pressing Factories have been approved against the target of 1000 units. The Total cost of the approved Projects is Rs. 1432.19 crores out of which the TMC Share of Rs. 224.74 crore.

MAN-MADE STAPLE FIBRE AND FILAMENT YARN INDUSTRY

The production of man-made staple fibre industry which decreased by 14% in 2008-09 as compared to 2007-08 is expected to increase by 19% during 2009-10. The production of all the Man-made staple fibres except polypropylene staple fibre are expected to record a positive growth in 2009-10 as compared to previous year. Viscose, Polyester and Acrylic staple fibre are expected to increase by 29%, 16%, 20% respectively while Polypropylene staple fibre is expected to decrease by about 6% in 2009-10.

The total production of man-made filament yarn is expected to increase by 7% during 2009-10. The production of viscose, nylon and polyester filament yarn are expected



to increase by 1%, 6% and 8% respectively while for polypropylene filament yarn, is expected to decrease marginally by 1% during 2009-10. The installed capacity and details of production of man-made staple fibre and filament yarn are given at table 5.4.

NATIONAL FIBRE POLICY

The Report of the Working Group on Textiles & Jute Industry for the 11th Five Year Plan recommended consolidating the raw material base including cotton, wool, silk, Man Made Fibre, technical textiles and jute, to facilitate the growth process in the industry. Further, the High Level Committee on Manufacturing (HLCM) in June 2007, under the Chairmanship of the Prime Minister to consider, inter alia, the Action Plan for the growth of Textiles and Garments decided to formulate a Comprehensive Fibre Policy. It was held that man-made fibre sector required special attention as the fibre consumption was in the ratio of 57:43

between cotton and man-made fibres in contrast to the 40:60 ratio prevailing worldwide. HLCM felt that a long term Comprehensive Fibre Policy (natural & man-made) was required for steady availability of fibre.

Thus, in the above background and keeping in view the fact that the market economy and availability of fibre have been the determining forces in natural selection of production process, Minister of Textiles soon after assuming Office considered it imperative that a Comprehensive National Fibre Policy be devised as early as possible. Thus, he made a public announcement in June, 2009 regarding formulation of a 'National Fibre Policy', with a view to achieve a growth rate of 7 to 8% for the textiles industry.

In line with the announcement, a Working Group on National Fibre Policy was constituted on the 29th July, 2009, comprising Government organizations, Export Promotion Councils, Industry

Table 5.4

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

Type	No. of units	Installed Capacity (TPA) 30-12-2009(P)	Production (Mn. Kg)				
			2006-07	2007-08	2008-09(P)	2009-10 (April-Dec.) (P)	2009-10 (P)
Staple Fibre							
Viscose	6	418.68	246.83	279.90	232.75	220.86	301.00
Polyester	15	1182.73	792.00	879.61	750.11	653.54	870.54
Acrylic	8	153.00	97.12	81.23	79.51	72.08	95.22
Polypropylene	3	8.70	3.52	3.43	3.43	2.37	3.24
Total	32	1763.11	1139.47	1244.17	1065.80	948.85	1270.00
Filament Yarn							
Viscose	7	80.10	53.99	51.07	42.42	32.02	42.86
Nylon #	11	32.00	32.25	27.62	28.07	22.40	29.66
Polyester ##	43	2013.49	1270.87	1420.14	1332.09	1081.48	1436.46
Polypropylene #	13	17.63	13.37	10.51	15.08	11.34	14.87
Total	74	2143.22	1370.48	1509.34	1417.66	1147.24	1523.85

P = Provisional

= The exclusive capacity of N.F.Y. and P.P.F.Y.

= The Capacity under Broad Banding Scheme has been indicated against P.F.Y.

Associations and experts in the field drawn from eminent institutions/ organizations. As decided in the Working Group meeting in September 2009, eight Sub Groups on various fibres were formed to critically examine the relevant aspects

and make recommendations to facilitate formulation of a comprehensive Fibre Policy. The issue is being pursued vigorously to put a policy in place as early as possible in consultation with all concerned stakeholders.

CHAPTER VI
THE JUTE AND JUTE
TEXTILES INDUSTRY

CHAPTER VI

THE JUTE AND JUTE TEXTILES INDUSTRY

The Jute industry occupies an important place in the national economy. It is one of the major industries in the eastern region, particularly in West Bengal. Jute, the golden fibre, meets all the standards for 'safe' packaging in view of being a natural, renewable, biodegradable and eco-friendly product.

The total area under jute cultivation in India varies between 6.38 lakh hectares to 10 lakh hectares, which is the highest in the world. This constitutes 0.6 per cent of the total area sown during the Kharif crop season. There is no significant change in area under jute cultivation since 1992-93 onwards.

Production of jute is concentrated in 36 districts of West Bengal, Orissa, Bihar, Assam, Meghalaya, Tripura and Andhra Pradesh. In the jute growing states, the share of jute crop is nearly 1.4 per cent of the total crop area. There are 33 odd districts spanning West Bengal, Orissa, Bihar and Assam, which account for 98.41 per cent area under jute cultivation, as well as 98.43 per cent of total raw jute production in the country. Nadia, Murshidabad, Purnea, Cooch Bihar, West Dinajpur, Jalpaiguri, North 24-Pargana, Hoogly and Malda districts in West Bengal account for 71 per cent of area under jute cultivation in India and 73.09 per cent of total raw jute production in the country.

There is always significant fluctuations in the area under jute cultivation in India. The year-to-year fluctuations arise out of three factors namely, (a) fluctuation in rainfall during the sowing season, (b) the average raw jute prices realized during the previous jute season and (c) the

returns realized from competing crops during the previous season. A significant area under jute competes with Aus paddy during the same season. Hence, year to year fluctuations in the prices of jute relative to the prices of Aus paddy is declining and a cropping pattern in the form of jute followed by paddy transplantation has picked up. Under such situations, paddy and jute are not competing crops as they are not sown during the same period on the same land.

Jute is an important cash crop, which is as an intercrop before paddy transplantation in most parts of the country. This has significant contribution to the farm income of a large section of rural households. Production of raw jute and mesta has witnessed a steady increase since 1951-52. It was 13.2 lakh M.T. in Jute year 1990-91 (July-June), which rose to 14.76 lakh M.T. in the Jute year 2008-09.

The Area under Jute cultivation and crop size from 2001-02 onwards is given at table 6.1.

Globally, India is the largest producer and second largest exporter of jute goods and this sector supports the livelihood of about 40 lakh farm families, and provides direct and indirect employment to 4 lakh workers. There are 78 Jute mills in the country. Of these 61 are in West Bengal, 3 each in Bihar and Uttar Pradesh, 7 in Andhra Pradesh, and one each in Assam, Orissa, Tripura and Chhattisgarh.

In recent years, the problems of jute industry had multiplied and it was struggling hard for survival. The problems

Table 6.1

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Crop size (Lakh MT)	16.2	19.8	16.2	13.5	15.3	18.0	17.82	14.76	16*
Area (Lakh Ha)	10.49	10.21	9.59	9.16	8.96	9.49	9.71	9.25	9.25*

*Estimated

Raw Jute Balance Sheet

(Lakh MT)	03-04	04-05	05-06	06-07	07-08	08-09	09-10
(A) SUPPLY							
i) Opening stock	6.12	5.94	2.52	1.44	4.14	3.96	1.44
ii) Jute and Mesta crop	16.2	13.5	15.3	18	17.82	14.76	16.00
iii) Import	0.9	0.72	1.26	0.72	1.44	0.36	0.90
Total :	23.22	20.16	19.08	20.16	23.4	19.08	18.34
(B) DISTRIBUTION							
iv) Mill consumption	15.84	16.2	16.2	14.58	17.82	16.02	16.00
v) Domestic/industrial consumption	1.44	1.44	1.44	1.44	1.62	1.62	1.60
vi) Export							
Total :	17.28	17.64	17.64	16.02	19.44	17.64	17.60*
(C) CLOSING STOCK	5.94	2.52	1.44	4.14	3.96	1.44	

* = Projected

were high labour cost, instability in the production of raw jute, demand erosion, obsolescence of machinery, uneconomic working and competition from synthetic sector. All these factors/handicaps had led to large scale sickness in the industry. This dismal scenario called for an urgent action plan to remedy the situation. Such measures included increase in productivity and up gradation of quality of raw jute and stimulation of additional demands for jute goods, both in domestic and international markets.

Government have given priority to revival and development of Jute Sector in its policy matrix. The aim is to develop new generation, cost competitive and performance-effective jute and jute blended products through up gradation of

spinning and weaving technology to achieve higher rate of product improvement, modernization and diversification of product mix towards value added items. Besides, attention is directed towards promotion of packaging material for conventional and new end uses with emphasis on biodegradable and eco-friendly attributes of jute as a natural fibre so that the jute industry does not depend primarily on mandatory packaging.

JUTE POLICY

The Government announced the first National Jute Policy in April 2005 to facilitate the Sector to attain and sustain a preeminent global standing in the manufacture and export of Jute products by enabling the Jute Industry to build world

class state-of-the-art manufacturing capabilities, and strengthen research and development activities, through public-private initiative, and ensure remunerative prices to the farmers.

The National Jute Board Act, 2008 (12 of 2009) received the assent of the President on the February 2009 and was published in the Gazette of India on February 12, 2009. The Act provides for the establishment of the National Jute Board for the development of cultivation, manufacture and marketing of jute and jute products and for matters connected therewith and incidental thereto.

MINIMUM SUPPORT PRICE OPERATIONS

The Commission for Agriculture Cost and

Practices (CACP), based on principal of reasonable returns, recommends to the Central Government the Minimum Support Price (MSP) for the standard TD-5 variety at a specific location (Ex-Assam). Based on the recommendations of CACP, Government of India announces MSP for raw jute (TD-5, EX-Assam) well before the sowing season. The table below depicts the minimum support price fix by the Government for TD-5 variety (Ex-Assam) since 1999-00 onwards. Based on the standard MSP and guidelines issue by the CACP, the Jute Commissioner declare MSP for all the categories of raw jute and mesta for major jute growing districts in the country.

Minimum Support Price for TD-5 grade of raw jute at Assam announced by the Ministry of Agriculture, Govt. of India from 1999-2000 onwards are given at table 6.2.

Table 6.2

	MSP of TD-5 grade of raw jute at Assam (Rs./Qtl)	%age increase over previous year
1999-00	750	15.4
2000-01	785	4.7
2001-02	810	3.2
2002-03	850	4.9
2003-04	860	1.2
2004-05	890	3.5
2005-06	910	2.2
2006-07	1,000	9.9
2007-08	1,055	5.5
2008-09	1,250	18.5
2009-10	1,375	10.0

Government procurement as a percentage of total production

Year (April-March)	Total Production of Industry (000 MT)	Govt. Procurement (In 000 MT)	Percentage
2005-06	1582.2	484	30.5%
2006-07	1356.3	388	28.6%
2007-08	1776.0	532	29.9%
2008-09	1633.7	621	38.0%

JUTE CORPORATION OF INDIA (JCI) LTD., KOLKATA

The Jute Corporation of India Ltd. (JCI) 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. The Corporation also undertakes commercial operation to generate profit from time to time. The Corporation has started marketing of non-traditional jute products in collaboration with the Jute Manufacturers Development Council (JMDC) through a Sales Emporium 'SONALI' at Kolkata. The Corporation also provides marketing research and acts as a decision-support-system in the field of agriculture marketing.

JCI has 171 Department Purchase Centres (DPCs) located in seven major jute growing States viz., West Bengal, Assam, Meghalaya, Bihar, Orissa, Andhra Pradesh and Tripura. The table below shows the amount of raw jute procured by the JCI from 2005-06 onwards. The procurement of jute by JCI under MSP operations from 2005-06 onwards is given at table 6.3.

The subsidy provided by the Government to JCI to maintain its infrastructure for MSP operations during the last four years is given at table 6.4.

Table 6.4

(Rs. in crore)

Year	Amount
2006-07	28.00
2007-08	30.00
2008-09	36.59
2009-10	30.00

JUTE PACKAGING MATERIAL ACT

The rise of the jute industry in the subcontinent is due to geographical as well as historical factors. However, the advent and discovery of mineral oil helped exploit cheap HDPE and PP polyethylene sacks. Synthetic bags started replacing the natural fibre packaging materials. As a result, the jute industry got wiped out from Europe, America and the Far East. Today, it is survived in the Indian subcontinent and to a lesser extent in Brazil. Even, in emerging economics like China, the industry has almost become extinct due to competition from the synthetics. The synthetic packaging material has cost advantage of 3:1 over jute. The other advantages of synthetics like light weight and strength are also acting as hindrance for large scale use of packaging materials made from natural fibres like jute and kenaf. Advent of containerized bulk handling of grains and other commodities has also signaled the

Table 6.3

Year (April-March)	Quantity (Lakh Bales of 180 kg each)	Total Production (Lakh Bales of 180 kg each)
2005-06	1.41	85
2006-07	4.84	100
2007-08	7.66	97
2008-09	1.02	80
2009-10 (upto December)	*	95

* Due to prices ruling above MSP no MSP operations have been carried out by JCI so far.

death nail for the traditional packaging materials. The other traditional or classical jute products like ropes, twines, carpet backing cloth, Hessian, etc., have never contributed a significant percentage to the overall demand for jute goods. Moreover, synthetics have replaced jute carpet backing cloth and Hessian in many uses. It is only the compulsory packaging norms imposed through a statutory backing in India that has ensured reasonable demand for jute goods in the world.

The Government have been providing protection to the Jute Industry in the form of Jute Packaging Materials (Compulsory use in Packing Commodities) Act, 1987 (JPM Act). This Act provides for compulsory use of jute packaging material in the supply and distribution of certain commodities in the interests of production of raw jute and jute packaging material and of persons engaged in the production thereof and for matters connected therewith. Presently only foodgrain and sugar are required to be compulsory packed in jute bags.

In the current jute year, 2009-10 (July-June) 100% reservation has been mandated for packaging of foodgrain and sugar in Jute Packaging Material. The following exemptions may be prescribed in the order under JPM Act:

(i) In case of any shortage or disruption

in supply of jute packaging material, Ministry of Textiles may, in consultation with the user Ministries concerned, further relax these provisions upto a maximum of 20% of the production for foodgrains and sugar respectively.

- (ii) "Sugar fortified with vitamins" be exempted from the purview of this order.
- (iii) Packaging for export of the commodities be exempted.
- (iv) Small Consumer packs of 25 kgs and below be exempted.
- (v) Bulk Packaging of more than 100 kg be exempted.

The degree of compulsory packaging introduced for different commodities under the JPM Act, 1987 are detailed at table 6.5.

DEVELOPMENT AND REGULATORY ORGANIZATIONS IN JUTE SECTOR

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

Table 6.5
Mandatory Jute Packing Orders issued under JPM Act, 1987

Order date	Sugar	Cement	Fertilizer	Foodgrains
01-08-2005	100%	Nil	Nil	100%
24-07-2006	100%	Nil	Nil	100%
09-08-2007	100%	Nil	Nil	100%
18-07-2008	100%	Nil	Nil	100%
01-09-2008	100%	Nil	Nil	100%
22-09-2009	100%	Nil	Nil	100%

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 (IJSJ), 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, IJSJ, etc.

EXPORT PERFORMANCE

The exports of Jute and Jute Products during current financial year 2009-10, upto October 2009, is estimated at Rs. 4,893 million equivalent to about US\$ 10 million, Value wise, the exports were lower by 30% in Indian Rupees and by 36% in average US dollar terms as compared to same period of 2008-09. In terms of quantity, cumulative exports during April-October 2009 is of the order of 75,999 M.Ton, which is lower by 43% as compared to same period of April October, 2008.

This declining trend in the exports was caused mainly by decline in exports of Hessian by 38% in quantity, Sacking by 39%, in quantity, yarn by 52% Jute Diversified Products (JDP) by 30% in value and others by 14% in quantity as compared to April- October 2008.

IMPORT OF JUTE GOODS

During 2009-10(April to November) import

of jute goods has increased by 47.7% to 69.18 thousand MT against 46.84 thousand MT in corresponding period of last year. Import of raw-Jute has also increased by 120.3% to 79.69 Thousand MT as against 36.16 thousand MT during the corresponding period of last year.

Trend in import of jute goods and raw jute is at table 6.6.

DEVELOPMENT AND REGULATORY ORGANISATIONS IN JUTE SECTOR

JUTE MANUFACTURES DEVELOPMENT COUNCIL (JMDC)

The Jute Manufactures Development Council (JMDC) is a Statutory Body which was constituted in May, 1984 under the JMDC Act, 1983 to increase the efficiency and productivity in the jute industry, and to finance activities for such development and for matters connected therewith. JMDC has been delegated all functions related to Export Promotion in the jute sector and is mandated to perform other such activities in the domestic market of jute sector 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 goods levied under the Jute Manufactures Cess Act, 1983, by the Government.

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

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 was established in June 1994, 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 including Jute Industry, 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

Table 6.6

QTY : 000MT
Value : Rs./Crores

(April-March)	2005-2006		2006-2007		2007-2008		2008-2009		2009-10 April-Nov.09	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Raw Jute	136.22	189.77	94.36	150.31	171.80	196.72	59.04	89.00	79.694	188.69.
Jute Products	77.02	175.56	60.93	171.63	57.69	138.09	70.94	202.99	69.180	256.35
Total	213.24	362.33	155.29	321.94	229.49	334.81	129.98	291.99	148.874	445.04
%age over last year	80%	126%	-27%	-11%	48%	4%	-43%	-13%	-	-

entrepreneurs, NGOs and women's groups.

ORGANISATIONS SUPPORTED BY THE MINISTRY OF TEXTILES

INTERNATIONAL JUTE STUDY GROUP (IJSG)

The International Jute Study Group (IJSG) is an intergovernmental body set up under the aegis of 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 the year 2000. It formally entered into force on and from April 29, 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 of the Government of India have been elected as Secretary General of the Organisation. Shri T. Nandakumar, was elected as its first Secretary-General in 2002 for three years. Subsequently Shri Sudripta Roy, was selected as Secretary General, for three years from September 6, 2007.

INSTITUTE OF JUTE TECHNOLOGY (IJT), KOLKATA

The Institute of Jute Technology (IJT) was established by Government of West Bengal as a Society registered under West Bengal Societies Registration Act 1961 for development of Technologists for the Jute Sector. 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.

IJT is funded by Ministry of Textiles Government of India through JMDC on the basis of five yearly Memorandum of Understanding (MOU).

CENTRAL RESEARCH INSTITUTE FOR JUTE ALLIED FIBRES (CRIJAF) & NATIONAL INSTITUTE FOR RESEARCH IN JUTE AND FIBER TECHNOLOGY (NIRJFT)

CRIJAF & NIRJFT are registered societies promoted by Indian Council for Agricultural Research (ICAR) under Ministry of Agriculture. These institutes are primarily engaged in research extension services and crop husbandry in respect of the jute plant. It conducts research and studies for improvement of yield, quality and development of economically viable and sustainable production technology and cropping system of jute and allied crops.

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 August 27, 2009, revised the DEPB rates of the jute products as in table 6.7

(b) Technology Upgradation Fund Scheme (TUFS)

The Scheme provides a focal point for modernization efforts through technology

Table 6.7

Product Group: Miscellaneous

Product Code: 90

S. No.	Description	DEPB Rate (%)	Value Cap for DEPB entitlement
24	Jute Soil Saver	5	
25	Jute Yarn / Jute Twine	4	
26	a. Hessian Cloth	5	Rs.40/Kg
	b. Hessian made-up	6	Rs.55/Kg
27	a. Sacking Cloth	6	Rs.30 / Kg
	b. Sacking made-up	6	Rs.40 / Kg

Product Group : Plastics

Product Code : 63

S. No.	Description	DEPB Rate (%)	Value Cap for DEPB entitlement
1.	Hessian Bags with LDPE/ HDPE/PP liner/Lamination and with/without Zipper/Handle	3	Rs.175/Kg
2.	Jute Bags with HDPE liner/ LDPEliner/ Lamination with/ without Zipper/Handle	3	Rs.175/Kg.
3.	PVC fabricated bags (made from PVC leather cloth backed jute and polypropelene)	5	–
4.	Poly jute bags	3	–

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 means induction of state-of-the-art or near state-of-the-art technology;
- The 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 associations (TRAs), industry and academic field covering the different segments.

The following 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 6.8.

(C) JUTE TECHNOLOGY MISSION (JTM)

The Government, on June 2, 2006, approved the Jute Technology Mission (JTM) with four mini-missions constituents (ref. table 6.9) The Department of Agricultural Research & Education, Ministry of Agriculture, launched the Mini Mission I of the JTM on November 9, 2006. Department of Agriculture & Cooperation, Ministry of Agriculture, launched the Mini-Mission II of JTM on December 21, 2006. The Mini Mission III

& IV of JTM were launched by the Ministry of Textiles on February 6, 2007.

The Jute Technology Mission (JTM) will be executed during the XIth five year Plan 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 and
- To develop and commercialise innovative technology for diversified use of jute and allied fibres.

The Objectives and Outlay of JTM is given at table 6.9.

(d) NON PLAN SCHEMES OF JUTE MANUFACTURES DEVELOPMENT COUNCIL (JMDC)

Jute Manufactures Development Council, by virtue of the JMDC Act 1983 and Jute Manufactures Cess Act, 1983, receives collections of Cess on Jute and is

Table 6.8

(Rs. in crore)

Number of application received	Cost of Project	Loan Sought under TUFs	Loan approved as per eligibility Under TUFs	Number of beneficiaries to whom loan is disbursed	Loan Disbursed
46	456.43	348.29	343.29	46	333.49

Table 6.9
Objectives and Outlay of JTM

Mini Missions	Objectives	Executing Ministry	Proposed outlay (Rs. in crores)
Mini Mission - I	To strengthen agricultural research and technology achievements	Ministry of Agriculture	7.06
Mini Mission - II	Development/extension of raw jute and transfer of improved technology	Ministry of Agriculture	49.90
Mini Mission - III	To develop efficient market linkages for raw jute	Ministry of Textiles	56.60
Mini Mission - IV	To modernize, technologically upgrade, improve productivity, diversify and develop human resource for the jute industry.	Ministry of Textiles	242.00
TOTAL			355.56

mandated to undertake the following activities:

- Facilitate development work related to jute agriculture with respect to improvement of quality and increase in the yield of jute.
- Promotes of better marketing and sale of jute.
- Improves productivity and efficiency of the jute industry.
- Promotes standardization of jute manufactures.
- Market development.
- Sponsors scientific, technological and economic research.
- Collects and disseminates information to all the stakeholders in jute — Government, Industry, Growers, Exporters.

SCHEMES OF JUTE TECHNOLOGY MISSION

MINI MISSION - III

1. Development of Market Yard

Under this scheme, it is proposed to

construct 10 marketing yards in major jute growing districts in the Country. Approximately, the arrival of raw jute in these market yard should be 10,000 MT and above per annum. The estimated cost of these jute specific market yards is Rs.1 crore. The scheme would be providing 60% funding and APMCs would contribute 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 work has been completed in 2 market yards,(1 in WB and 1 in Assam) and inaugurated on 30.8.09 & 31.8.09 respectively. Construction in 6 market Yards in West Bengal, 3 in Assam and 2 in Bihar are in progress.

2. Construction of JCI Departmental Purchase Centres

It is proposed to construct 35 such facilities under the aegis of JCI in the major 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. The

entire cost will be borne by Government of India. The identification of land for construction of 20 DPCs has already been completed. Out of which JCI has got possession of land at 18 places(11 in WB,6 in Assam,2 in Orissa and 1 in Bihar) Construction of 3 DPCs in West Bengal is already completed out of which 1 has been inaugurated on 24.12.09..

3. Construction of Retting Tank

Retting is the most important part of jute cultivation to achieve quality of fibre , non-availability of adequate retting water poses hindrance in production of quality output. It is proposed to construct Retting Tanks to facilitate retting with atleast one in each jute producing district of India in phased manner. In the next five years, 50 retting tanks are proposed to be constructed 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. The 90% of the cost of construction of retting tank to be sponsored under this scheme, and the remaining 10% is to be contributed by the beneficiary. The work on 18 retting tanks out of total 50 retting tanks has already started (11 in West Bengal,1 in Bihar, and 6 in Assam)

4. Demonstration of Retting Technology and Training to Jute Growers

This scheme will help to upgrade the quality of jute produced and take care of changing demand of the industry . Under this scheme, a programme spread over five years ,has been formulated that maximum number of jute growers can be brought under this training programme, The local Panchayats and State Agricultural Departments will also be

involved for successful implementation. The training programmes are being conducted through JCI DPCs in the jute growing districts of India. 120 demonstrations have already done till date against the target of 200 demonstration during the plan period.

5. Development of Ribboners

The infrastructure of JCI will be utilized to distribute the developed machines 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 the benefit of use of the same. Projects for development of High Speed Ribboners were awarded to Jodhpur University (JU) and CRIJAF. JU has submitted a proposal(costing Rs.58 lakh) to develop 2 more High Speed Ribboner Machine (Phase II) before the next jute retting season. These machines will be placed in the field for demonstration and popularize the scheme.

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). Training manuals and modules have been developed and appropriate Human Resource Development (HRD) capsules designed and implemented under the programme. 2556 programmes will be conducted under 221 modules, and 19,750 workers will be trained over a span of five years. HRD intervention will improve the skill and

update the knowledge of workers to match with the changed situation/environment.

2. Machinery Development

The main bottleneck for modernization of jute industry is lack of availability of new technology machines for jute fibre. Under the 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) would be 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 which have the credibility and required infrastructure. The selection of Private Partner and establishment of SPV has been completed and the establishment of CJMD has been completed. Under the scheme 5 machines involved in core process of jute goods production have been identified for development and the development of 3 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, Following studies are planned in this scheme:

- Total Quality Management
- Energy Management
- Waste Management
- Maintenance Management
- Work Study & Ergonomics

All the studies will be conducted in an integrated manner and such studies will be undertaken initially in six jute mills covering geographical spread and different gradation of the mills. Five studies have been commissioned on TQM, Energy management Waste Management ,Maintenance management and Work study & Ergonomic Study. 4 reputed organizations have been selected through bidding process for undertaking studies, diagnosis, recommendations, implementation and training. Inception reports were submitted for the 6 mills by the 4 agencies. Diagnostic studies have commenced.

4. Acquisition of Machinery and Plant (Subsidy Component)

Under this scheme, the jute industry is being supported to adopt new machinery, etc. The adoption of 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.

Support will be provided @ 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 new mills. Under the scheme, 89 cases have been settled so far and subsidy of Rs.1849.10 lakh has been released facilitating investment of Rs.10,055.22 lakh 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 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 also envisages to explore 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 cost of Rs.911.76 lakh 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. These organizations and small and tiny entrepreneurs could effectively contribute to further 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 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. 22 Clusters Development Agencies(CDAs) have been identified in 80 clusters in 40 districts of 11 States. The number of productive WSHGs is 464 and 5320 Artisans have been trained .In addition 88 machinery has been distributed.

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 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 key elements given at table 6.10.

Table 6.10

Developmental Schemes	Jute Service Centre Scheme
Input Related Scheme	Jute Raw Material Bank Scheme
Marketing Schemes	Market Promotion Schemes and Campaigns for Jute Diversified Products

29 Jute Service Centres and 7 Jute Service Extension Centres have been set up to help the newly developed entrepreneurs. Total 28 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. 12000 Artisans have been trained and 262 JDP units have been developed. 862 MT of raw materials have been sold through JRMBs. The no. of registered beneficiary artisans is 5632.

4. Scheme for Commercialisation of Technology

Under this scheme, NCJD would take up promotion of commercialization of technologies by interacting with the different State's Department and the DICs, holding of different Technological Conferences around the country, counseling and interactive programme for participation with different stakeholders, holding products specific workshops in potential areas, technology experimentation and machinery and process development.

Presently this scheme has been kept in abeyance to be subsequently in place, associated with Scheme No.6.2 (Machinery Development) - with development of identified jute machinery and No.7.1 (Design & Development of JDPs) - with the completion of the R&D projects.

5. Scheme for Setting-up of Jute Parks for the Diversified Sector

This scheme aims to provide 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 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 on 60:40 pattern (Developer : Govt.) The funding for North East region may be increased to 10:90 (Developer : Govt.) subject to a maximum of Rs 7.5 Crore for NE states and Rs. 5 Crore for other states. NCJD has selected 5 Consultants as project consultants, whom the promoters of the proposed jute parks can engage. 7 proposals have received in-principle approval and Detailed Project Reports were approved. One more application is under 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

INTRODUCTION

India continues to be the Second largest producer of silk in the World. Among the four varieties of silk produced, Mulberry accounts for 85% (15610 MT), Eri 11.1% (2038 MT), Tasar 3.3% (603 MT) and Muga 0.6% (119MT) 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 6.3 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 2009-10, a provision of Rs 185.40 Crore under Plan and Rs 213.34 Crore under Non-plan has been made for CSB.

SILK EXPORTS

Silk Export Earnings during XI Plan period (2007-08, 2008-09 and 2009-10 (up to April-May, 2009) are given at table 7.2.

Table 7.1

Sl. No.	Particulars	2008-09 Achievement	2009-10 Achievement (Apr-Oct)	2009-10 Anticipated
I	Area under Mulberry (Lakh Hectares)	1.78	1.85	1.96
II	Production of Raw silk (M.Tons)	18370	9902	18800
III	Employment (Lakh Persons)	63.10	—	64.00

Table 7.2

(Value: In Crore Rs.)

Sl. No.	Items of Export	2007-08	2008-09	2009-10 (P) (Apr-May)
1	Natural Silk Yarn Fabrics Made-ups	1897.06	2127.72	213.23
2	Readymade Garments	746.55	986.57	201.36
3	Silk Carpets	72.11	58.67	7.36
4	Silk waste	12.15	5.23	0.10
	TOTAL	2727.87	3178.19	422.05

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, extension and training through its countrywide network of centres. Besides, the Central Silk Board organize 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)

CSB, being a Science and Technology (S&T) based Research and Development organization, the main thrust has been on Research based activities. The Board is covering areas like Research and Technology Development, Seed

maintenance & production and, Development of Sericulture & Silk Industry. As a part of its developmental initiatives, CSB has implemented Catalytic Development Programme (CDP) as a Centrally Sponsored Scheme during IX & X Plan period, in association with concerned State Sericulture Departments and other implementing agencies to supplement their efforts in achieving the goals set for the Plan period.

The IX plan focussed largely on supporting stakeholders in Sericulture sector, ranging from food plant cultivation to marketing of products, while in X plan (2002-07), the focus of CDP was widened by creating greater opportunities for gainful employment in rural areas through the spread of scientific sericultural practices and by promoting modernization and quality up-gradation of the industry. During the X Plan, a total amount of Rs.264.34 crores was spent towards implementation of CDP.

Emphasis for the XI Plan under the Sericulture sector will be on two issues:

- Development of Sericulture, which has many facets - Increase in area under food plants of silkworms, enhance production, productivity and quality.
- Poverty alleviation, generation of employment and income, livelihood security and also increase in family income.

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 envisaged 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.

The total outlay for implementation of the CDP during the XI Plan is pegged at Rs.1476.24 crores of which CSB's share is Rs.661.62 crores. The entire expenditure is of non-recurring nature. Of the approved allocation of Rs.81.01 crores and Rs.76.73 crores for the years 2007-08 and 2008-09, 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 and Rs.90.74 crores respectively towards implementation of various schemes / components under CDP.

During the current year 2009-10, as against the sanctioned amount of Rs.75.57 crores by Govt. of India for implementation of CDP and as per the recommendations of the Apex Monitoring Committee, a sum of Rs.44.06 crores has been released / spent towards implementation of various schemes / components under CDP up to the end of October, 2009.

RESEARCH & DEVELOPMENT/ TRANSFER OF TECHNOLOGY/ TRAINING / IT INITIATIVE

RESEARCH AND DEVELOPMENT

The main Research & Training Institute 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) deals with mulberry sericulture. One at Ranchi (Jharkhand) deals with Tasar culture. The institute established at Ladoigarh, Jorhat (Assam) deals with Muga and eri-culture. Regional Sericulture 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 (RECs) & 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 Resource Centre (CSGRC) at Hosur (Tamil Nadu) and a Seri-Biotech Research Laboratory (SBRL) at Bangalore.

During 2008-09, 205 research projects were implemented which includes new research projects approved by the RAC of the respective institute. Against a target of 89 research projects scheduled to be concluded, 78 projects were concluded and the remaining 11 projects were extended for 2009-10.

During 2009-10, 117 Research projects are continued and 42 new Research projects will be initiated. Against a target of 50 Research Projects scheduled to be completed, 16 Projects have already been concluded (upto October, 2009) and remaining 34 Projects will be concluded by March, 2010.

TRANSFER OF TECHNOLOGIES AND EXTENSION ACTIVITIES

- Under Cluster Promotion Programme

conducted in co-ordination with RSRSSs / RECs of CSB and concerned State DOSs 14 clusters were set up in the States of Karnataka, Andhra Pradesh, Tamil Nadu and Maharashtra.

- In Karnataka, 8,53,980 disease free layings (dfls) of bivoltine hybrids brushed 3483 farmers' and an average yield of 60.50 kg/100 dfls. was obtained. Under "Establishment of farmers field schools (FFS)" scheme, benchmark survey of 25 farmers for each school was taken up.
- 17 lead farmers from these FFS were trained. Two new FFS were established. Conducted 123 Group discussions, 16 Exhibitions, 25 Demonstration of technologies, 22 Field days and 89 Awareness programmes. Under "Transfer of Technology (TOT)" scheme nine technologies were implemented and are under progress.
- In West Bengal, Fifteen farmers were covered and 13850 dfls of M x B reared. Cocoon yield ranged between 42.2 kg and 44.8 kg/100 dfls against control (35.8 kg and 38.3 kg/100 dfls) with a gain of 8.7% over control.

TRAINING

The CSB organizes a number of training programmes at its Research and Training Institutes. The total number of persons trained during 2008-09 and 2009-10 (up to Oct. 09) is given at table 7.3.

I.T. INITIATIVES

Under the IT initiatives during XI Plan, CSB shall concentrate on software development by using contemporary technologies and networking of various cocoon and silk markets with free flow of information on the availability of the raw material, market trends, etc on its websites. All information required for traders, buyers, and other stakeholders shall be hosted on the web to their ease the interactive interface of the website. In addition, facilities like on-line subscription to scientific e-journals (which will be available for access to entire CSB scientists), on-line submission of research progress reports, video conferencing among Research Institutes of CSB, etc. will be created. Work is in progress to setup centralized server at CSB complex and host the CSB website on 24x7 basis at CSB complex and to develop a centralized MIS application. An expenditure of Rs. 5.09 lakh will be incurred up to March 2010.

Table 7.3

Sl. No.	Particulars	2008-09	2009-10 (up to Oct. 2009)	No. of persons anticipated to be trained by the end of 2009-10	Category
1	Structured Course	41	34	34	DOS/NGO
2	Capsule Course	442	63	450	CSB/DOS/NGO
3	Adhoc Training	2298	643	2500	Students/Staff/ Entrepreneurs/ Farmers
	TOTAL	2781	740	2984	



The Union Minister of Textiles, Thiru Dayanidhi Maran going round at the "SILK PARADISE" exhibition of Indian Silk in New Delhi on July 15, 2009.

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 2009-10, these commercial SSPCs have produced 136.79 lakh Disease Free Layings (DFLs) against the target of 297.62 (upto October, 2009) and achieved 46%. 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 2009-10 six more SSPCs are to be covered under ISO certification.

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.

● HRD

CSB administration includes Board Secretariat, Regional Offices and

Regional Development Offices, Certification Centres etc. The Board Secretariat of CSB monitors the implementation of various schemes and coordinates with Ministry and States in implementation of various projects in sericulture sector. Several National meetings, Board meetings and Review meetings and other high level meetings are being carried out by the Board Secretariat.

SCHEMES & PROJECTS BEING IMPLEMENTED / PROPOSED TO BE IMPLEMENTED BY CSB AND STATES WITH EXTERNAL / INTERNAL ASSISTANCE FOR DEVELOPMENT OF SERICULTURE:

A. EXTERNAL ASSISTANCE

1. PROJECT FOR ORGANIZING III 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, 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 for taking 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 JICA and Ministry of Textiles, Govt. of India 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 11 officers in 'Administrative Course' and 15 in 'Technical Course' nominated from 7 different countries during 2008-09.

Encouraged by the success of this Training programme and requests received from the participating countries, JICA has approved implementation of this training programme for three more years from 2009-10 with increase in in-take capacity to 30 participants (15 each in Administrative and Technical Courses) per year. The Record Notes of Discussions is being finalised and will be executed shortly. The training programme is scheduled to commence from 1st week of January, 2010.

2. MANIPUR SERICULTURE PROJECT (PHASE-I) ASSISTED BY JBIC

The Govt. of Manipur is implementing the project with financial assistance from JBIC, Japan over a period of 10 years at a total cost of Rs.490.59 Crore.

The first phase of the project was completed during March, 2009 (Technical target & Civil infrastructure) with a total cost of 154.99 Crores of which JBIC assistance was Rs.136.66 Crore (3962 Million Yen) and State share Rs.18.33 Crore. The revised proposal for the first phase of the project envisages raising of 1700 Ha of mulberry plantation, construction of 60-100 Chawki Rearing Centres, One Mulberry Industrial Grainage, One P-2 Station, One Sericulture Training School and One Post Cocoon Technology Training-cum-Production Centre.

B. INTERNAL ASSISTANCE

1. SPECIAL SGSY PROJECTS 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.

Development of Tasar and Eri culture in Bihar (2003-07) : The

project is being implemented in Banka district of the State. The project is extended till 31st March 2010.

Till March 2009, an amount of Rs.663.041 lakh was released under the project to PRADAN & CSB units in the project area, which includes Rs.495.426 lakh from MORD and Rs.167.615 lakh from CSB, excluding project administrative expenses spent by CSB for its personnel involved in project execution.

Development of Tasar and Eri culture in Jharkhand-Phase I (2003-05):

The project is being implemented in the districts like Giridih, Deoghar, Dumka, Pakour, Godda, Sahebganj, Jamtara, Ranchi, East Singhbhum, West Singhbhum, Saraikela, Simdega, Hazaribagh and Gumla of Jharkhand. One new BSM&TC was established at Deoghar in the State and 3 existing BSM&TCs at Kathikund, Kharsawan and Madhupur were strengthened. The project was extended upto March, 2009. The pending activities of different components under the project are under completion.

Till March 2009, Rs. 880.671 lakh have been released under the project to PRADAN & CSB units in the project area, which includes Rs. 653.179 lakh from MORD and Rs.227.581 lakh from CSB, excluding nominal project administrative expenses spent by CSB for its personnel involved in project execution.

2. SPECIAL SGSY PROJECT ON DEVELOPMENT OF MULBERRY SERICULTURE IN LAI, MARA AND CHAKMA AUTONOMOUS DISTRICT COUNCILS (ADCs) OF MIZORAM

Three Projects prepared by CSB for

Lai, Mara and Chakma ADCs of Mizoram State at a total cost of Rs.5100.00 lakh @ Rs.1700.00 lakh / ADC 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 lakh each. MORD has released funds to a tune of Rs.701.45 lakh for three ADCs and Rs.219.60 lakh 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, 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 lakh to be implemented by Directorate of Sericulture, Govt. of Uttarakhand over a period of 5 years from 2007-08 to 2011-12. The funds are shared by MORD (Rs.417.009 lakh) and CSB/State (Rs.153.899 lakh). Bank credit is Rs.131.205 lakh and the beneficiary contribution is Rs.55.727 lakh. Central Silk Board is the Executing and Coordinating Agency. Due to revision in the cost of RH, the Project cost has been restructured to Rs.917.840 lakh by revising CSB/State share at Rs.378.899 lakh, Bank Credit Rs.76.205 lakh and the Beneficiary Contribution being Rs.45.727 lakh without any change in MORD Share.

Till October, 2009, an amount of Rs. 227.063 lakh including MORD share of Rs.103.566 lakh and CSB share of Rs.123.497 lakh has been released under the project.

C. PROJECTS WITH ASSISTANCE UNDER CATALYTIC DEVELOPMENT PROGRAMME (CDP)

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

The 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 at a total cost of Rs. 387.368 lakh with CSB, State and Beneficiary sharing @ Rs. 227.421, Rs 64.203 and Rs. 87.429 lakh respectively and the balance is credit from financial institutions. The project is being implemented by Manipur State Sericulture Cooperative Federation Ltd., (MSSCF). CSB has released its share of Rs. 44.531 lakh (up to October,09) under CDP Schemes.

2. MICRO PROJECT FOR DEVELOPMENT OF OAK TASAR IN MIZORAM

A "Micro Project for Development of Oak Tasar in Mizoram" was initiated with a total cost of Rs 94.682 lakh with CSB, State and Beneficiary sharing @ Rs.71.542, Rs.18.746 and Rs.2.225 lakh respectively along with a credit of Rs.2.168 lakh. The project is being implemented in Tlangsam, Zotlang and Zote villages of Champai district during 2008-09 to 2011-12 by DOS, Govt. of Mizoram, coinciding with XI Plan period. The project covers support to 12 adopted seed rearers, 200 Oak Tasar Rearers, strengthening of 01 Oak Tasar Grainage, establishment of 01 community reeling & spinning Centre, equipment and training support to 16 reelers, 6 spinners. The project

envisages production of 27.50 lakh cocoons, 611 kg reeled silk, 236.50 Kg spun silk with an employment generation of 611 man years/year at the end of the project period.

CSB has released its share of Rs.12.19 lakh (up to October,09) under CDP Schemes to support Tasar rearers for equipments, training, extension & publicity, strengthening of seed infrastructure and market support for cocoons etc to achieve the targets. Project is under progress.

3. INCOME ENHANCEMENT OF RURAL POOR THROUGH SERICULTURE IN GUJARAT

A project on "**Income enhancement of Rural Poor through Sericulture**" with a total cost of Rs.296.607 lakh has been initiated for a period of four years from 2008-09 to 2011-12. The project cost includes Central Share of Rs.176.076 lakh from the funds available under the Catalytic Development Programmes of CSB. The State matching share of Rs.72.788 lakh would be met by Department of Cottage and Rural Industries (DCRI), Govt. of Gujarat and Rs.47.743 lakh to be borne by the beneficiaries. The project is being implemented in clusters in the districts of Mehsana, Patan, Banaskantha & Sabrakantha of North Gujarat during the 2008-09 to 2011-12 by Department of Cottage & Rural Industries, Govt. of Gujarat, Gandhinagar through credible NGOs.

The project covers support to 525 Eri cocoon Producers, Construction of 525 Rearing Houses, 4 Cocoon Drying Units, Establishment of 109 Spinners & 100 Weavers for yarn production and fabric production respectively, quality linked price

support for marketing of cocoons and training to the beneficiaries. The project output would be 27.00 MT of cocoon shells and 22.00 MT of spun yarn with an employment generation to 21952 man years/ year. CSB has released its share of Rs.31.573 lakh (up to October,09) under CDP Schemes.

D. PROJECTS WITH R&D FUNDS

PRODUCT DESIGN, DEVELOPMENT AND DIVERSIFICATION - P3D CELL "THE COCOON"

Product Design, Development, Diversification and Market Support -P3D Cell "The Cocoon" was established during Xth plan as an R&D activity. The activity envisages the revival of traditional products, development & 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. The activities of P3D under CDP are continued in the XI Plan with an outlay of Rs.50 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 Cluster Promotion Programme was initiated during 2008-09 and is being implemented in close coordination with the State Sericulture Departments. The programme envisage dissemination of technological innovations 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 as also facilitates infrastructure up-gradation and improvement of skill / knowledge of farmers. The programme also brings awareness among the sericulturists about the latest technologies developed and the kind of assistance available to improve sericulture. The programme ensures that all the schemes of Govt. of India / State Govt. for sericulture development and silk industry reaches the stake holders in the clusters. 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.

Under the Cluster Promotion Programme, the CSB in close coordination with DOSs continued to assist 31 model sericulture clusters set up during 2008-09 and also organized 14 new / additional clusters in pre-cocoon sector covering 16 states during 2009-10 involving central share of Rs.16.494 crores (upto November, 2009).

OTHERS

1. I.T. INITIATIVES

Under the IT initiatives during XI Plan, CSB shall concentrate on software development by using contemporary technologies and networking of various cocoon and silk markets with free flow of information on the availability of the raw material, market trends, etc on its websites. All information required for traders, buyers, and other stakeholders shall be hosted on the web and improves upon the interactive interface of the website. In addition, facilities like on-line subscription to scientific e-journals

(which will be available for access to entire CSB scientists), on-line submission of research progress reports, video conferencing among Research Institutes of CSB, etc. will be created. Work is in progress to setup centralized server at CSB complex and host the CSB website on 24x7 basis at CSB complex and to develop a centralized MIS application. An expenditure of Rs. 5.09 lakh will be incurred up to March 2010.

2. SILK MARK ORGANIZATION OF INDIA (SMOI)

The Ministry of Textiles-Govt. of India 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.

The Silk Mark Scheme is aimed at protecting the interests of the users and connoisseurs of silk, and for the generic promotion of silk and also for building brand-equity of Indian Silk internationally. Since the launch of Silk Mark in June 2004, over 1300 members have joined the Organisation, of whom, more than 1,200 have become Authorized Users. Nearly 81.00 lakh of Silk Mark labelled products have reached the market for the benefit of consumers. Apart from becoming familiar with the consumers, Silk Mark is gaining

confidence of the Silk Industry as well. During 2008-09, 296 new members and 292 Authorised Users have been enrolled under Silk Mark Scheme and 21.29 lakhs of Silk Mark Labelled products have reached the market.

To spread the message of Silk Mark, a well thought out action plan for the year 2009-10 is in place. Accordingly, during 2009-10 (up to November, 2009) 209 Members and 205 Authorized Users have been enrolled and 13.63 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 2009-10 (upto November 2009) SMOI participated in as many as 237 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 Lakh. The Advisory Committee of VSMPC headed by the Member Secretary, CSB and members from AIFD, Bangalore, NIFT, Bangalore, IIM, Bangalore, NIFT-TEA KFI, Tirupur, and officers from CSB and CSTRI, Bangalore is reviewing the functioning of the cell.

4. AUTOMATIC REELING UNITS

In view of the thrust being provided

to bivoltine cocoon production in the country and with an aim to produce international quality (3A- 4A) raw silk, a scheme for supporting establishment of Automatic Reeling Machine (ARM) units was implemented under the X Plan CDP. The scheme was aimed at popularising the adoption of latest technologies in cocoon processing, silk reeling, testing etc. It was proposed to establish these units with reeling machineries and equipments imported from China. Each ARM unit with 400 ends has a capacity to produce approximately 34.00 MTs of quality raw silk per annum. The cocoon requirement would be around 218 MT per annum covering 350-500 acres under mulberry cultivation. On a pilot basis two such units, one each in Jangaon, Warangal District, Andhra Pradesh and Gobichettypalyam, Erode District, Tamil Nadu were approved. M/s R.A Silks, Jangaon (AP) and M/s Varna Silk Industries, Gobichettypalyam (TN) have established these units during the year 2007-08. CSB has also provided the post commissioning support through training and testing interventions. As per the information available with CSB both the units are running and producing quality raw silk.

The Govt. of India is supporting the establishment of ARM units during the XI Plan CDP also with a physical target of 10 units. The unit cost of Rs.100.00 lakhs towards machinery is to be shared among CSB, the concerned State and the entrepreneur in the ratio of 50:25:25 respectively. The CSB in association with the respective State had identified three entrepreneurs, two from Karnataka and one from Tamil Nadu for establishment of ARM units during the year 2008-09 and provided

financial support of Rs.50.00 lakhs (Central share) to each entrepreneur. Establishment of these units are at various stages and two units are likely to be operational by March 2010. Further, three more entrepreneurs, one each from Karnataka, Tamil Nadu and Andhra Pradesh have been identified for establishment of ARM units during 2010-11.

5. ERI SPUN SILK MILL

Eri cocoons were hitherto utilized for the production of hand spun yarn on traditional hand spinning devices. With a view to produce quality eri spun silk yarn of various counts and to meet the requirement of producing diversified value added products in eri and its blends both for domestic as well as international markets, it was proposed to support for establishment of Eri Spun Silk Mill of 440 spindles with a capacity to produce around 100 kgs of spun silk yarn per day, under the X CDP approved by the EFC. The scheme envisaged central subsidy of 75% on the unit cost of Rs.150.00 lakhs towards building, infrastructure and machinery. The total project cost is estimated to be around Rs.270.00 lakhs.

Establishment of two units, one each in Hindupur, Andhra Pradesh and Kokrajhar, Bodo Territorial Council (BTC), Assam were approved. M/s Indian Silk Mills, Bangalore and M/s Indi Luo Enterprises, Kokrajhar have established these units in Hindupur and Kokrajhar respectively during

the year 2008-09. There is a provision to support for establishment of three eri spun silk units during the XI Plan CDP also. The unit cost of Rs.170.00 lakhs towards machinery is to be shared among CSB, concerned State and entrepreneur in the ratio of 50:25:25 in general States and 65:25:10 in special status States respectively. Under this scheme, CSB has supported M/s Fabric Plus Pvt. Ltd. to set up one unit at Chayyagaon Industrial Growth Centre, Assam and the unit was inaugurated by Shri Dayanidhi Maran, Hon'ble Union Minister of Textiles on 19th August 2009. The unit has started commercial production. Further, M/s Kasare Vanya Silk Mill has been identified to establish one unit at Raipur, Chhattisgarh during the year 2009-10.

6. INDIAN SILK EXPORT PROMOTION COUNCIL

The Indian Silk Export Promotion Council (ISPEC), 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 magazines known as the "Silk Net". The silk sample catalogues containing sample swatches of the full range of silks available in India brought out by the Council are available to potential buyer, importing textile agents and Indian Mission abroad.

CHAPTER VIII
THE WOOL AND WOOLLEN
TEXTILES INDUSTRY

CHAPTER VIII

THE WOOL AND WOOLLEN TEXTILES INDUSTRY

The Wool and Woollen 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 country is the seventh largest producer of wool and contributes 1.8% to total world production. 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. Of the total production of raw wool, 5% is apparel grade, 85% carpet grade, and 10% coarse grade. Rajasthan (44 percent), Jammu & Kashmir (13 percent), Karnataka (12 percent) alongwith Gujarat, Uttar Pradesh, Andhra Pradesh, Haryana (23 percent) are the major wool producing

states in the country. The world average for wool productivity is about 3.5 kg/sheep/year, while in India the average is 0.8 kg/sheep/year.

There are 718 woollen units in the organized sector, and a large number of units in the small scale sector. Ludhiana alone accounts for 225-240 units in the decentralized hosiery and shawl sector. The installed capacity of the industry is about 6.04 lakh worsted spindles, and 4.37 lakh non-worsted spindles. Wool combing capacity is around 30 million kg., whereas, the synthetic fibre combing capacity is 3.57 million kg. There are approximately 7,228 powerlooms in this industry.

A small quantity of specialty fibre is obtained from Pashmina goats and Angora rabbits. There are 958 woollen units in

Table 8.1

Status of Wool & Woollens Textiles Industry

Total no. of existing units, including decentralized hosiery and shawl sector	958
Total no. of persons employed, including persons associated in sheep rearing and farming sector and weavers in carpet sector	27 lakh
Total Production	Rs. 8,500 Crore
Total Investment	Rs. 20,000 Crore (Excluding Carpet Sector)
Total Imports	Rs. 1,032 Crore*
Total Exports	Rs. 5,705** Crore

* Woollen yarn & fabric, raw wool and woolen/synthetic rags.

** Woollen yarn fabric, made up set, RMG Wool, Carpet Handmade

the country, the majority of which are in the small scale sector. During the XIth Five Year Plan period (2007-12), the Government is implementing the following Schemes for the holistic growth and development of Wool Sector: (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, Cooperatives, etc.

(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

Indigenous Production

Table 8.2

YEAR	QUANTITY (In Million Kg.)
2005-2006	44.90
2006-2007	45.20
2007-2008	45.00
2008-09	48.00

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

Import

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

Table 8.3

YEAR	QUANTITY (In Million Kg.)
2004-2005	84.76
2005-2006	90.18
2006-2007	99.62
2007-2008	93.08
2008-2009 (upto Dec. 08)	54.84

(Source: DGCI&S, Kolkata)

ii. Rags (Woollen/Synthetic)

Table 8.4

YEAR	QUANTITY (In Million Kg.)
2004-2005	69.05
2005-2006	103.03
2006-2007	110.26
2007-2008	92.47
2008-2009 (upto Dec. 08)	66.82

(Source: DGCI&S, Kolkata)

Installed Capacity

Table 8.5

i. (a) Wool Combing :	30 Million Kg.
(b) Synthetic Fibre : Combing	3.57 Million Kg.
ii. Worsted :	6.04 lakh spindles
iii. Non Worsted :	4.37 lakh spindles
iv. Powerlooms :	7228
v. (a) Machine-made : carpets	0.50 Mn. Sq. Meter
(b) Hand-made :	9 Mn. Sq. Meter carpets

Wool Products

Table 8.6

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

(Source: IWMF, Mumbai)

CENTRAL WOOL DEVELOPMENT BOARD, JODHPUR

The Central Wool Development Board (CWDB), 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 2009-10 to implement various Plan Schemes and Programmes for the holistic growth and development of wool sector. The Board had utilized Rs. 557 lakh under Plan head till November 2009. On the Non-Plan side a provision of Rs.180 lakh was made for 2009-10, and the Board had utilized Rs. 110 lakh till November, 2009.

During 2009-10, 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 Centers & 6 rearing farms and supply 26,000 stud rams for breed improvement.

Improvement of Wool Fibre

(i) Sheep & Wool Improvement Scheme (SWIS)

The Sheep & Wool Improvement Scheme

was introduced during the Xth Five Year Plan period, as part of the 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, deworming, 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 2009-10, 9 lakh sheep will be covered under the Scheme with financial allocation of Rs. 1090.70 lakh. The Board utilized Rs. 424.48 lakh till January 2010 and covered 6 lakh new sheep and 22.75 lakh ongoing sheep and 33,744 sheep breeders had benefitted from the States of Rajasthan, Gujarat, Madhya Pradesh, Utrakhand, 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 2009-10, 140 Angora rabbit rearing families are being provided benefits at an estimated cost of Rs. 69.30 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 during 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 2009-10, the Board is providing facilities to 800 families in Ladakh region of J&K at an estimated cost of Rs. 43.75 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 following activities during the XIth Five Year Plan period, as part of Support Services to develop HRD potential of the wool sector :-

- Marketing and Promotional activities which includes organisation 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 at Weaving and Designing Training Centre, Kullu
- Monitoring and Evaluation of Schemes
- Training to farmers/ breeders/ weavers
- Strengthening and upgradation of wool testing, wool grading and marketing facilities.
- Strengthening of the Central Wool

Development Board and construction of office building.

During the financial year 2009-10, the Board had provided Rs. 146.25 lakh for the above activities. The Board had utilized Rs. 94.78 lakh and imparted training to 145 resource persons and organized 14 Woollen Expos till January 2010.

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 has been made in 2009-10 to set up 2 new 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. Till January 2010, the Board has utilized Rs. 42.71 lakh under different

ongoing Common Facility Centres. During the year 2009-10, the Board proposes to setup 2 Common Facility Centers under pre-loom activity at a financial outlay of Rs. 100 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. Sheep breeders generally lead 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 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 Shepherd Insurance Scheme is to provide an enhanced insurance cover to Sheep breeders in the case of natural as well as accidental death. Out of the annual premium of Rs. 330, the contribution from GOI is Rs. 150, breeders Rs. 80, and Rs.100 is borne by LIC from its Social Security Funds.

The benefits accruing to the Sheep breeder are:

- (a) On Natural death - Rs 60,000
- (b) On Accidental death - Rs. 1,50,000
- (c) On Permanent Disability - Rs. 1,50,000
- (d) On Partial Disability - Rs.75,000

Sheep Insurance Scheme

India has the third largest sheep population

country of the world with 6.15 crore sheep. The annual wool production in the range of 45-48 million kg which is approximately 1.8% of total world wool production. It is expected that proper health care alone should lead to increase in the production of wool by at least 10%, according to a study carried out by the Central Sheep and Wool Research Institute, Avikanagar. The Central Wool Development Board is implementing the Sheep Insurance Scheme during XIth Five Year Plan period under Social Security Scheme. 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, of 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 beneficiary. In the event of death of the sheep, the sum assured of Rs. 1,200 becomes payable to the shepherd. The benefit of subsidy is provided to a beneficiary for a maximum period of three years.

During the financial year 2009-10, the Board had made a financial provision of Rs. 50 lakh to provide insurance coverage for 93,500 sheep breeders and 9 lakh sheep. The Board has covered 14,358 sheep breeders and 4,23,953 sheep, till November 2009 and October 2009, respectively and released Rs. 3.44 lakh.

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
- Improve micron of wool by 2 μ .
- 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

THE WOOL & WOOLLENS EXPORT PROMOTION COUNCIL (WWEPC), NEW DELHI

The Wool & Woollens Export Promotion Council (W&WEPC), New Delhi was set up on October 06, 1964, under the Societies Registration Act, 1860. It represents the interests of hosiery/unorganized wool and woollen sector, and promotes the exports of woollen hosiery, acrylic knitwear products, knitted shawls, scarves and stoles, etc. The Council has 1,070 members and it continuously undertakes various export

promotional measures to project the considerable product range of wool and woollen hosiery products in the major markets abroad.

EXPORTS

The Export performance during the years 2008-09 & 2009-10 (October 2009) on the basis of figures received from DGCI&S, Kolkata is given at table 8.7.

The export data shows an increase of 10.66% compared to the same period of previous year. The Council has fixed an export target of US\$ 550 Million (Rs.2,420 crore) for the year 2009-10.

EXPORT PROMOTION ACTIVITIES

The Council participates in Trade Fairs/Exhibitions, Organizes visits of Trade Delegation abroad and convenes Buyer-Seller Meets (BSM) to promote the Indian Woollen products. The details of the participation in various activities are given at table 8.8.

PUBLICITY

The Council publish "Wool News", a Newsletter, which provides latest information on major markets, policy developments, news relating to exports, trade notifications, export trends, overseas trade enquiries, fashion and technology developments. The publication helps the

Table 8.7

(Rupees in Crore)

PRODUCTS	2008-09	April 08 to October 2008	2009-10 (upto October 2009)
Woollen Yarns, Fabrics, Made-ups, etc.	Rs. 456.52	Rs. 264.84	Rs. 244.84
RMG Wool	Rs. 1742.98	Rs. 1049.26	Rs. 1210.00
TOTAL	Rs. 2190.50	Rs. 1314.64	Rs. 1454.84
% Increase			10.66%

Table 8.8

S.No.	Activity	Duration
1	South African International Trade Exhibition (SAITEX), Johannesburg, South Africa	July 19-21, 2009
2	Copenhagen Intl. Fashion Fair (CIFF 2009), Denmark	August 6-9, 2009
3	Fashion Exposed held in Melbourne (Australia)	30th August to 1st September, 2009
4	Pret A Porter, Paris, France	September 4-7, 2009
5	XXXIII Federal Trade Fair, Moscow, Russia	September 22-25, 2009
6	Hong Kong Fashion Week for Fall/Winter, Hong Kong	January 14-17, 2010
7	The Autumn Fair 2010 Manama, Bahrain	24 January - 1 February, 2010
8	Pret A Porter, Paris, France	January 23-26, 2010
9	Federal Trade Fair (Textilexpo), Moscow, Russia	February 16-19, 2010
10	CAIRP International Fair, Cairo, Egypt	March 11-22, 2010
11	Intermoda Guadalajara, Mexico	January 19-22, 2010
12	Expocomer Panama City, Panama	March 3-6, 2010
13	Australian Intl. Sourcing Fair Melbourne, Australia	March 23-25, 2010
14	Tex Styles India Pragati Maidan, New Delhi	February 24-27, 2010

exporters to keep abreast with the latest trends in the international market and evolving overseas demand. The Council also releases various publicity materials

in print media regarding promotional activities as well as highlights the problems of the woollen industry particularly export segment.

CHAPTER IX
DECENTRALISED
POWERLOOM SECTOR

CHAPTER IX

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 22.38 lakh powerloom in the country as on 31st December, 2009 distributed over approximately 5.03 lakh units. This is about 60.39% of the total looms in the world. The powerloom sector contributes about 62% of the total cloth production of the country, and provides employment to about 55.95 lakh persons.

GROWTH IN THE POWERLOOM SECTOR

The estimated number of powerloom in the decentralized sector in the country till December 2009 were 22,38,036. The year-wise details of powerlooms set-up since 2002 (upto December, 2009) are

given at table 9.1.

Table 9.1

Year	Powerlooms
2002-2003	16,92,737
2003-2004	18,36,856
2004-2005	19,02,953
2005-2006	19,43,892
2006-2007	19,90,308
2007-2008	21,06,370
2008-2009	22,05,352
2009-2010 (Till 31.12.2009)	22,38,036

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

CLOTH PRODUCTION (MILLION SQ.MTRS)

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

Table 9.2

Year	Total production	Production on Powerloom	%age of Powerloom Production over total Production	%age increase over previous year	
				Total production	Powerloom production
2002-03	41973	25954	62%	(-)0.15%	3%
2003-04	42383	26947	64%	1%	4%
2004-05	45378	28325	62%	7%	5%
2005-06	49577	30626	62%	9%	8%
2006-07	53389	32879	62%	8%	7%
2007-08	56025	34725	62%	4.9%	5.6%
2008-09	54966	33648	61%	(-)1.89%	(-)3.10%

MODERNISATION & 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 equipment such as shuttleless looms of type Projectile, Rapier, Air jet, Automatic Cop Changing Looms, Drop Box Looms, Pirn Winders, Cone Winders, Sectional Warping Machine, DG sets etc. 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

During the year 2008-09, the 44 PSCs trained 13143 persons, developed 4767 designs & tested 66737 samples and generated a total revenue of Rs.117.46 lakh. During this period, PSCs have organized 389 exhibitions, seminars & workshops. The achievement during 2009-10 (April to Dec 2009) is as under :-

1. No. of trainees - 8869
2. No. of designs developed - 2825
3. No. of samples tested - 57070
4. Consultancy / troubleshooting - 3681

5. Total Revenues generation - Rs.73,48,029
6. No. of Exhibitions, Seminar & Workshops - 301

COMPUTER AIDED DESIGN CENTRES

The following 17 Computer Aided Design Centres (CADCs) have been established:-

Coimbatore, Karur, Komarapalayam & Sommanur(Tamil Nadu), Surat and Ahmedabad (Gujarat), Solapur, Ichalkaranji, Bhiwandi and Mumbai (Maharashtra), Bhilwara (Rajasthan), Ghaziabad (Uttar Pradesh), Bangalore and Doddaballpur (Karnataka), Burhanpur and Indore (Madhya Pradesh) and Panipat (Haryana). These CADCs help the decentralized and small powerloom units to access new designs and improve the quality of the fabric.

MODERNISATION OF DECENTRALISED POWERLOOM SECTOR

The Government 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.

Table 9.3

Sr. No.	Type of loom installed	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	Total
1.	Semi Automatic Loom	14994	4732	3569	2811	2752	1521	278	30657
2.	Automatic loom	1916	1229	2055	2878	1631	484	110	10303
3.	Shuttleless Loom	3595	3639	4549	6367	5184	2088	1250	26972
	Total	20505	9600	10173	12056	9567	4093	1638	67932

GROUP INSURANCE SCHEME FOR THE POWERLOOM WEAVERS/WORKERS

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

In accordance with the XI 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/- for one year policy 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 to the educational grant of Rs.600/- per child per half year for two children studying in IX to XII standard for a maximum period of 4 years under Shiksha Sahayog Yojana (SSY).

The progress of the Scheme from 2003-04 upto January 2010 is given at table 9.5.

GROUP WORKSHED SCHEME

The Government of India has introduced a Group Workshed Scheme for decentralized Powerloom Sector on 29.07.2003, 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

Table 9.4

Component	Natural Death	Accidental Death	Total Permanent Disability	Partial Permanent Disability
GIS	Rs. 60,000/-	Rs. 1,50,000/-	Rs. 1,50,000/-	Rs. 75,000/-

Table 9.5

Year	No. of workers enrolled			GOI Share of Premium (Rs.)		
	JBY	AGIS	Total	JBY	AGIS	Total
2003-04	49498	10840	60338	2969880	975600	3945480
2004-05	92992	16810	109802	5579520	1512900	7092420
2005-06	77907	18489	96396	4674420	1664010	6338430
2006-07	74115	19936	94051	4446900	1794240	6241140
2007-08	106492	15445	121937	8269530	1390050	9659580
2008-09	114011	-	114011	17101650	-	17101650
2009-10 (Up to Jan, 2010)	91131	-	91131	13669650	-	13669650

maximum of Rs.120/- per sq. ft. whichever is less. Ordinarily, minimum 4 weavers should form a group, each with 12 modern looms of single width or 6 wider width looms per person will be allowed to be installed. The maximum subsidy will be Rs.12 lakh per person. The scheme does not envisage more than 500 looms under one project proposal. During the year 2009-10, there was an allocation of Rs.86.5 lakh for this scheme and a subsidy amount of Rs.79.9 lakh has been released to the beneficiaries under the Scheme.

INTEGRATED SCHEME FOR POWERLOOM CLUSTER DEVELOPMENT

In order to achieve the overall development of the powerloom sector, Government has announced the Integrated Scheme for Powerloom Cluster Development during 2007-08 for 3 years i.e up to 2009-10. 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 & Upgradation of Skills (HRD)

Performance of the Scheme

(a) Buyer Seller Meets

Year	No. of Meets	Amount released (Rs. in lakh)
2007-08	7	25.50
2008-09	9	53.68
2009-10 (upto February, 2010)	9	48.45

(b) Exposure Visits

Year	No. of Weavers	Amount released (Rs. in lakh)
2007-08	301	06.02
2008-09	558	10.20
2009-10 (upto February, 2010)	412	14.21

c) Powerloom Cluster Development

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. During the year 2008-09, Rs.4.8 lakh has been spent for refresher training of officers from Regional Offices and H.Q. Further the following 8 clusters have been selected for development and CDOs have been posted in the respective cluster:-

1. Burhanpur, 2. Nalgonda, 3. Ranaghat, 4. Umergaon, 5. Amritsar, 6. Karur, 7. Bhilwara & 8. Maunathbhanjan.

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.189.48 crores has been disbursed to 2583 cases since November 2003 to 25th February, 2010. Progress under 20% CLCS-TUFS for the decentralised Powerloom Sector is given at table 9.6.

ALL INDIA POWERLOOM BOARD

The All India Powerloom Board (AIPB) was first constituted as an Advisory body

Table 9.6

S. No.	Year	No. of units	Amount of subsidy releases (Rs. in crore)
1	2003-04	4	0.10
2	2004-05	150	6.00
3	2005-06	368	23.00
4	2006-07	827	59.86
5	2007-08	567	44.95
6	2008-09	404	32.48
7	2009-10	263	23.09

in November, 1981 and is reconstituted from time to time.

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.

POWERLOOM MEGA CLUSTERS

Pursuant to the Budget Announcement 2008-09, the Government decided to scale up infrastructure and production by taking up six centres for development as mega clusters in Varanasi and Sibsagar for handlooms; Bhiwandi and Erode for powerlooms; and Narsapur and Moradabad for handicrafts, on a Public Private Partnership (PPP) model. Five more Mega Clusters, 2 each for Handicrafts at Srinagar (J&K) and Mirzapur-Badohi (UP), Handlooms at Virudhnagar (TN) and Murshidabad (WB) and one for powerlooms at Bhilwara (Raj) were announced for 2009-10.

The scheme for mega cluster envisage support to weavers/artisans, both in and outside the cooperative fold, including those in Self Help Groups (SHGs), Non Governmental Organisations (NGOs) etc. The scheme provides for development of all the facets of selected clusters like raw material support, design inputs, up-gradation of technology, infrastructure development, marketing support, welfare of weavers etc. A convergence of the existing development interventions of the Ministry of Textiles & other Ministries/ Departments will be affected in these clusters. The scheme will also raise living standards of the weavers/artisans by improving the infrastructure facilities, with better storage facilities, technology up-gradation in pre-loom/on-loom/post-loom operations, weaving shed, skill up-gradation, design inputs, health facilities etc.

The Scheme will be implemented over a period of 5 years. An amount of Rs.70 crore has been earmarked for each mega-cluster.

The Agencies, which would be responsible for implementation of the projects (CMTAs) for all six mega clusters announced during 2008-09 have been selected. The process of selection for CMTAs for the Mega Clusters announced during 2009-10 is under finalization.

CHAPTER X
HANDLOOMS

CHAPTER X

HANDLOOMS

Handloom forms a precious part of the generational legacy and exemplifies the richness and diversity of our country and the artistry of the weavers. Tradition of weaving by hand is a part of the country's cultural ethos.

As an economic activity, handloom is the 2nd largest employment provider next only to agriculture. The sector with 60.40% about 35 lakh handlooms provides employment to 65 lakh persons. Of which, 60.40% are women, and 35% belong to Scheduled Castes and Scheduled Tribes. Production in the handloom sector recorded a figure of 6677 million sq. meters in the year 2008-09, which is about 21.55% over the production figure of 5493 million sq. meters recorded in the year 2003-04. During 2009-10 (Provisional) production in the handloom

sector is reported to be 3942 million sq. meters (April to October, 2009) as compared to 3875 million sq. meters during the corresponding period of 2008-09 (Table 10.1). The sector accounts for 15.9% of the total cloth produced in the country excluding hosiery, khadi, wool and silk during 2008-09. The sector, however, is beset with manifold 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 Office of the Development Commissioner for Handlooms since its inception in 1976 has been implementing various schemes for the promotion and development of handloom sector and

Table 10.1

Cloth Production by Handloom Sector

Year	Cloth Production by Handloom	Share of Handloom in the total cloth production	Ratio of Handloom to Powerloom (in terms of cloth)	Total Cloth Production*
2003-04	5493	16.2	1:4.91	33874
2004-05	5722	16.1	1:4.95	35573
2005-06	6108	15.9	1:5.01	38390
2006-07	6536	15.9	1:5.03	41161
2007-08	6943	16.0	1:4.97	43265
2008-09	6677	15.9	1:5.04	42121
2009-10 (April-Oct)	3942	14.7	1:5.55	26844

* The total cloth production includes Handloom, Powerloom and Mill Sector excluding hosiery, khadi, wool and silk.

welfare of handloom weavers. During 11th Five Year Plan (2007-08 to 2011-12), five schemes are under implementation, which are - (i) Integrated Handloom Development Scheme; (ii) Handloom Weavers Comprehensive Welfare Scheme; (iii) Marketing & Export Promotion Scheme; (iv) Mill Gate Price Scheme; and (v) Diversified Handloom Development Scheme.

INTEGRATED HANDLOOMS DEVELOPMENT SCHEME

The 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 having about 300 - 500 looms under each, 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, a sum 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

Incentives, past liabilities under the Deen Dayal Hathkargha Protsahan Yojana (DDHPY), Workshed-cum-Housing Scheme, Integrated Handlooms Training Project (IHTP) and Integrated Handlooms Cluster Development Scheme (IHCD) 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 Project, 548 projects were sanctioned to various State Governments/UTs and a sum of Rs.26.08 crore was released.

During the year 2009-10, there is a budgetary provision of Rs.125.00 crore (Rs.95.00 crore for General States and Rs.30.00 crore for States falling under North Eastern Region). Out of Rs.125.00 crore, a sum of Rs.90.26 crore has been sanctioned to various State Government (as on Feb. 2010). Against the target of 100 clusters, so far 37 clusters have been sanctioned and a sum of Rs.5.95 crore has been released. In addition to that, 351 Group Approach Project have also been sanctioned and a sum of Rs.15.08 crore has been released. The progress of Integrated Handloom Cluster Project is given at table 10.2.

Table 10.2

Progress of Integrated Handloom Cluster Project

Phase	No. of Clusters sanctioned
Phase-I (2005-06)	20
Phase-II & III (2007-08)	251
Phase-IV (2008-09)	131
Phase-V (2009-10) (up to Feb.2010)	37
Total	439

Statewise number of clusters sanctioned during 2005-06 to 2009-10 is given at table 10.3.

Table 10.3
State-wise Number of Clusters Sanctioned durings 2005-06 to 2009-10

Sl. No.	Name of the state	Number of Cluster Sanctioned					Grand Total
		2005-06	2007-08	2008-09	2009-10(upto Feb. 2010)		
A	General	Phase-I	Phase-II	Phase-III	Phase-IV	Phase-V	
1	Andhra Pradesh	2	10	16	11		39
2	Bihar	1	4	5	5		15
3	Chhattisgarh		2	3	3		8
4	Delhi		0	0	0	1	1
5	Gujarat		4	1	4		9
6	Haryana		0	0	0		0
7	Himachal Pradesh	1	2	0	0	2	5
8	Jammu & Kashmir		0	0	8		8
9	Jharkhand		2	8	11	5	26
10	Karnataka	1	5	8	5		19
11	Kerala	1	4	15	5		25
12	Madhya Pradesh	1	3	7	1	4	16
13	Maharashtra				0		0
14	Orissa	2	6	10	7	8	33
15	Punjab				0		0
16	Rajasthan		2		0	1	3
17	Tamil Nadu	3	10	17	10		40
18	Uttar Pradesh	4	10	11	14	8	47
19	Uttarakhand		2	3	1		6
20	West Bengal	2	10	15	9		36
	Total General	18	76	119	94	29	336
B NER							
1	Arunachal Pradesh		1	7	4		12
2	Assam	1	5	5	5		16
3	Manipur	1	4	15	14		34
4	Nagaland		2	3	9	5	19
5	Meghalaya		1	3	1	2	7
6	Mizoram				0	1	1
7	Sikkim				0		0
8	Tripura		4	6	4		14
	Total NER	2	17	39	37	8	103
	Grand Total Gen. NER	20	93	158	131	37	439

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

and 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:

Health Insurance Scheme

The Health Insurance Scheme (HIS) is implemented through the ICICI Lombard General Insurance Company Ltd. The total premium under the scheme for 2009-10 is Rs.988.30/- including Service Tax as per the details given below:

- i) Govt. of India's share - Rs.809.10 per annum premium (Rs.716.80 + service tax Rs.92.30 @10.3% for the year 2009-10.
- ii) Weaver's share - Rs.179.20 per annum by the weavers / State Govt. (The minimum contribution by the weavers should be Rs.50 per family even in cases where State Govt. are making contribution on his behalf.
- iii) Total premium - Rs. 988.30 per annum including service tax.

The scheme envisages covering (a) not only the weaver but also his spouse 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. 7,500.

During 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 HIS was Rs.120.82 crore and it was released to the ICICI Lombard General Insurance Company Ltd. towards Central Government's share of premium 18.78 lakh weavers including those from the North Eastern Region were covered during 2008-09.

The budget provision under the HIS for 2009-10 is Rs.115.85 crore and a sum of Rs.102.60 crore has been released to the ICICI Lombard General Insurance Company Ltd towards Central Govt. share of premium. During 2009-10, 6.07 lakh weavers have been covered up to February 2010. The progress of Health Insurance Scheme is given at Table 10.4.

Table 10.4

Progress of Health Insurance Scheme

Year	Enrollment (lakh)
2007-08	17.74
2008-09	18.78
2009-10 (February 2010)	6.07

Mahatma Gandhi Bunkar Bima Yojana

The Mahatma Gandhi Bunkar Bima Yojana (MGBBY) is being implemented through the Life Insurance Corporation of India. The annual premium is Rs. 330/- per member. The funding pattern under the scheme is given at Table 10.5.

Table 10.5

Funding Pattern under Mahatma Gandhi Bunkar Bima Yojana

GOI contribution	Rs.150/-
Weavers' contribution	Rs. 80/-
LIC's share	Rs.100/-
Total	Rs. 330/-

During the 11th Plan, the benefits available



Distribution of Cheques to Cluster Artisans during Inauguration of "CLUSTER CREATION 2010" by Union Minister of Textiles, Thiru Dayanidhi Maran

under the MGBBY have been substantially increased as compared to 10th Plan. The details of comparative benefits are given at Table 10.6.

In addition to the above, under the MGBBY, 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 released and 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 utilized. 5.75 lakh weavers had been covered during the financial year 2008-09 under the scheme.

For the year 2009-10 there is a budget provision of Rs.3.10 crore under MGBBY

Table 10.6
Benefits under Mahatma Gandhi Bunkar Bima Yojana

S. No.		Benefits during the 10th Plan	Benefits during 11th Plan (from 1.10.07)
1.	Natural Death	Rs. 50,000	Rs. 60,000
2.	Accidental Death	Rs. 80,000	Rs. 1,50,000
3.	Total Disability	Rs. 50,000	Rs. 1,50,000
4.	Partial Disability	Rs. 25,000	Rs. 75,000

and the entire amount of Rs.3.10 crore has been released to the LIC towards Central Govt. share of premium. During 2009-10, 4.10 lakh weavers have been covered up to January 2010. The Progress of Mahatama Gandhi Bunkar Bima Yojana is given at table 10.7.

Table 10.7

Progress of Mahatama Gandhi Bunkar Bima Yojana

Year	Enrollment (lakhs)
2007-08	4.66
2008-09	5.75
2009-10 (February 2010)	4.10

MARKETING & EXPORT PROMOTION SCHEME

Marketing & Export Promotion Scheme consists of two components - (i) Marketing, and (ii) Export Promotion. The Marketing Promotion Component envisages a wide gamut of activities for the promotion and marketing of handloom products. The Office of Development Commissioner for Handlooms assists the State Government/Implementing agencies in undertaking the following activities:

- Organising of Exhibitions, Events and Craft Melas
- Setting up of Urban Haats
- Setting up of Marketing Complexes/ Handloom Havelies.
- Geographical Indication Act
- Handloom House at Janpath
- Brand building through Handloom Mark and Publicity

During the year 2008-09, 399 marketing events were organized, which includes 17 National Handloom Expos, 74 Special Handloom Expos, 301 District Level Events

and 7 Craft melas besides promotion of Handloom Mark through publicity. Financial assistance to register 12 handloom products were provided to various State Governments (Gujarat: 2, Karanata:2, UP:2, MP:1, Kerala:5). A sum of Rs.45.00 crore was utilized during the year 2008-09.

During the year 2009-10 (upto February 2010) 560 events were sanctioned to various States which include 26 National Handloom Expos, 117 Special Handloom Expos, 410 District Level Events and 7 Craft Melas. A sum of Rs. 33.43 crore has been released out of the total budget provision of Rs.50.00 crore (B.E.)

Brand building through Handloom Mark

Greater emphasis has been laid on Brand Development through Handloom Mark during the XI Five Year Plan. The Handloom Mark was launched by the Hon'ble Prime Minister of India on 28th June, 2006. The purpose of Handloom Mark is to serve as a guarantee to the buyer that the handloom product being purchased is a genuine handwoven product and not a powerloom or mill made product. Also, in the new Foreign Trade Policy, incentives to handloom products bearing Handloom Mark have been provided. Handloom Mark is being promoted and popularized through advertisements in newspapers and magazines, electronic media, syndicated articles, fashion shows, films etc.

The Textiles Committee is the Implementing Agency for promotion of Handloom Mark. As on 28/02/2010, 144.28 lakh handloom mark labels have been sold to 6078 stakeholders. 728 retails outlets are selling handloom goods with handloom mark label.

The new beneficiaries, now, included in the Handloom Mark scheme to get the

benefits are Self Help Groups, Joint Liability Groups, Consortia, Producer companies, Handloom Weavers Groups or any other legal entity, organization involved in Handloom activities and approved by Office of the Development Commissioner for Handlooms with a one time registration fee of Rs. 500.

Sale price of one label brought down from Rs. 1.25 at the time of launch to 60 paise in January, 2007. Application form are made available free of cost. The registration fee for individual weavers is reduced to Rs.25 from Rs.100 and for master weavers Rs.500 from Rs.2000.

Handloom Marketing Complex, Janpath, New Delhi

A world class Handloom Marketing Complex is under construction at Janpath, New Delhi to provide infrastructure support to handloom agencies with a view to provide permanent marketing outlets that will enable handloom agencies to augment their sales. This handloom marketing complex will showcase the exquisite varieties of handlooms 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 markets.

SANT KABIR AWARD

This award shall be conferred on such outstanding weavers, who have made valuable contribution in keeping alive the handloom heritage and also for their dedication in building up linkages between the past, present and the future through dissemination of knowledge on traditional skills and designs. SANT KABIR AWARD for handloom weavers will be conferred every year, **beginning from the year 2009.**

Each award will consist of one mounted gold coin tamarapatra, one shawl and a

citation. In addition, financial assistance to the extent of Rs. 6.00 lakh shall also be given to each of the Sant Kabir Awardee to innovate and create 10 new products of high level of excellence, high aesthetic value and high quality.

RELEASE OF POSTAGE STAMPS

H.E. Smt. Pratibha Devisingh Patil, the President of India has released 4 postage stamps of Rs.5/- each on Banarasi silk, Kanchipuram silk, Kalamkari and Apa Tani weave on 10th Dec.2009 at Rashtrapati Bhawan. The Union Minister of Textiles, Shri Dayanidhi Maran, Union Minister of Communication and Information Technology Shri A. Raja, Minister of State for Textiles Smt. Panabaaka Lakshmi, Minister of State for Social Justice and Empowerment Shri D Napoleon and other dignitaries were present. This is for the first time, stamps on Indian textiles were issued in order to popularize the unique textiles both in India and abroad.

HANDLOOM WEEK

"Handloom Week" was celebrated for the first time from 21st December to 27th December throughout the country. This year during the Handloom Week, a number of promotional and awareness programmes, organization of domestic marketing through handloom expos, fashion shows in various cities using the fabrics produced in Handloom clusters, organisation of health camps, publicity through newspapers, magazines, outdoor publicity, through electronic media were undertaken substantially.

The Geographical Indications of Goods (Registration & Protection) Act 1999

The Geographical Indications of Goods (Registration & Protection) Act 1999 provides legal protection to Geographical Indications of goods etc., and prevents unauthorized use of these by others. The

office of Development Commissioner for Handlooms under the Marketing and Export Promotion Scheme provide financial assistance to register Handloom items in order to give protection under the Act through the State Government / handloom agencies authorized by the State Government. The programme has been taken up by this office in the mid of 2007. This office provides Rs.1.50 lakh per item or actual expenditure whichever is less to register the handloom items. Financial assistance to register 32 items have been provided by this office so far to various States. The details are given at table 10.8.

In addition, three items have already been registered by the State Government of Tamil Nadu under the G I Act, which are i) Kacheepuram silk sarees ii) Bhavani Jamukalam and iii) Madurai Sungudi sarees. Moreover, Chanderi sarees and Pochampally sarees, Kotpad Handloom fabric, Kota Doria, Solapur chaddar, Solapur Terry Towel have also already been registered under the said Act.

Action has already been initiated to register (1) Kovai cotton sarees (2) Salem Silk and (3) Arani silk sarees under the G I Act.

Table 10.8

Registration of Handloom Products under the Geographical Indications Act 1999

2007-08	2008-09
<p>Andhra Pradesh : 4 Items</p> <ol style="list-style-type: none"> 1. Narayanpet 2. Siddipet Gollabama 3. Mangalagiri 4. Venkatagiri sarees <p>Orissa : 8 items</p> <ol style="list-style-type: none"> 1. Sambalpuri Tie & Dye 2. Nuapatna Tie & Dye 3. Habaspuri Design 4. Bomkai Design 5. Posapally design 6. Khandua Nuapatna 7. Berhampur Kumbha Sarees (silk) 8. Dhalapathar Temple Design fab <p>West Bengal : 8 items</p> <ol style="list-style-type: none"> 1. Santipuri saree 2. Tangail saree 3. Tangail Jamdani saree 4. Dhaniakhali saree 5. Baluchari saree 6. Korial saree 7. Garad saree 8. Muslin 	<p>Gujarat : 2 items</p> <ol style="list-style-type: none"> 1. Silk Patola sarees - single Ikat 2. Woollen acrylic shawl - Kutch / Masharoo <p>Karnataka : 2 items</p> <ol style="list-style-type: none"> 1. Guledgud Khana 2. Udupi saree. <p>Uttar Pradesh : 2 items</p> <ol style="list-style-type: none"> 1. Banarasi Sarees 2. Banarasi Brocades. <p>Madhya Pradesh : 1 item</p> <ol style="list-style-type: none"> 1. Maheshwari handloom items <p>Kerala : 5 items</p> <ol style="list-style-type: none"> 1. Kasargod saree 2. Kuthampully saree 3. Chendamangalam saree 4. Balaramapuram saree 5. Kannur Handloom Furnishing

Export Promotion Component

The objective of the Handloom Export Promotion Component is to assist the handloom cooperative societies & corporations in developing exportable products and assist handloom agencies in 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. Under this Component, assistance is given for the following activities:

1. Export Project
2. Participation in International fairs & exhibitions
3. Setting up of Design studios
4. Miscellaneous promotional events / activities.

During the year 2008-09, 14 Export Projects were sanctioned and various handloom agencies participated in 9 international fairs/exhibitions. During the current year 2009-10, 15 Export Projects have been sanctioned (as on 28/02/2010) and 13 international fairs have been approved for participation. A sum of Rs. 320.68 lakh has been sanctioned so far for export projects, fairs etc.

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) by making 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), Government of India Undertaking, is the nodal agency for implementation of the scheme. The scheme has been continued during the 11th Five year Plan. The agencies, which shall be eligible to avail of the benefit of the scheme, are as under:-

- All Handloom organizations of National/State/Regional/Primary handloom level.
- Handloom Development Centres.
- Handloom producers/exporters/manufacturers registered with HEPC/ any other export promotion council under Ministry of Textiles/Director of Industries/Handloom of State/U.T.
- All approved export houses/trading houses/star trading houses for 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 yarn is being arranged by the NHDC from the mills as per the requirement of the user agencies/cooperative societies and transported to the godown of the agency. There is also

a provision for supply of the yarn to the individual weavers through the yarn depots approved by the NHDC. 650 yarn depots are in operation throughout the country as on 28th Feb, 2010. Under the Mill Gate Price Scheme, following assistance is being provided:-

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

The expenses incurred towards freight for transportation of yarn and on 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 for supply of yarn is given at table 10.9.

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 NHDC under the MGP Scheme has gone up more than three times and registered a figure of 855.12 lakh kgs. valued at Rs.793.77 crore in the year 2008-09 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 2009-10

(upto Feb., 2010), 919.17 lakh kgs yarn valued at Rs.837.29 crore has been supplied by the NHDC under the scheme. The details of yarn supplied by the NHDC under the scheme given at table 10.10.

Table 10.10

Yarn supplied by the NHDC under Mill Gate Price scheme

Year	Yarn supply	
	Qty (In lakh kg.)	Value (In lac Rs.)
2006-07	437.21	38783.47
2007-08	678.46	56305.00
2008-09	855.12	79377.57
2009-10 (upto Feb., 2010)	919.17	83728.62

DIVERSIFIED HANDLOOM DEVELOPMENT SCHEME (DHDS)

The Central Sector Diversified Handloom Development Scheme (DHDS) 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 (WSCs)/Indian Institutes of Handloom Technology (IIHTs), Setting up of New WSCs/IIHTs, National Centre for Textile Design (NCTD), Research & Development

Table 10.9

Maximum Freight Rate Reimbursement under the MGPS

Item	Plain area	Hills/remote Area	NE Region
Yarn Other than Silk/Jute	1.00%	1.75%	3.00%
Silk Yarn	1.00%	1.25%	1.50%
Jute/Jute blended yarn	7.00%	8.00%	8.50%

(R&D) and Conducting Third Handloom Census and issue of photo 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.4.45 crore have been incurred till 28.2.2010, during the year 2009-10. 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 was scheduled to be completed within a period of 18 months of award of work. However, approval of Competent authority for extension of three months has been accorded to cover all weavers households. The total revised approved cost of the project is Rs.21.91 crore (Rs.20.36 plus Rs.1.55 crore). The project involves collection of information from about 25.5 lakh weaver households over 70,000 villages/urban blocks covering almost all the districts in the country. This issue of Identity cards to the Handlooms weavers will ensure that only genuine weavers get the benefits of the various schemes being implemented by the Office of Development Commissioner for Handlooms for their growth and sustained development, in a hassle free manner. An amount of Rs.15.27 crore has by now been released to the implementing agency. Census work in 13 States has already been completed and in rest of the States it is in progress. Total 24.45 lakh weaver households have already been canvassed till 15.2.2010.

WEAVERS' SERVICE CENTRES (WSCS)

At present, twenty-five Weavers' Service Centres (WSCs) are located across the

country. They play a vital role in imparting training to weavers, upgrading the skill and productivity of weavers. They have developed new designs and revived traditional ones. WSCs also render extension services, which involve transfer of design inputs, skills and technology to weavers. All the WSCs are functioning primarily under Non-plan. During the year 2008-09, a sum of Rs.2266.66 lakh (under Non-Plan) had been incurred against the RE Budget of Rs.2406.00 lakh. During the current financial year 2009-10, an amount of Rs.2090.00 lakh has been incurred upto November, 2009 against the budget provision of Rs.2295.10 lakh.

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 the needs of the handloom sector for technically qualified manpower, provision for opening new IIHTs in the Central Sector, wherever required, has been made in the 11th Five Year Plan.

SETTING UP OF NEW IIHT AT BARGARH, ORISSA

In pursuance of Hon'ble Prime Minister's announcement in August 2006, the Indian Institute of Handloom Technology (IIHT) at Bargarh (Orissa), has been set up w.e.f. 2.6.08 from the Panchayat College Campus, Bargarh (Orissa). The foundation stone of its own building has been laid by the Union Minister for Textiles on 17.11.08.

Every year, 270 students are offered three years Diploma Course in Handloom Technology and 28 students in the Post

Diploma Course in Textiles Chemistry by all the five IIHTs, set up under Central Sector. Apart from the above, three IIHTs are also functioning at Venkatagiri (Andhra Pradesh), Gadag (Karnataka) and Champa (Chhatisgarh) under the State Sector.

During 2008-09, an amount of Rs.507.82 lakh was incurred by IIHTs Guwahati, Varanasi, Salem and Jodhpur, against the budget provision of Rs.521.15 lakh under Non-Plan and a sum of Rs.64.22 lakh was incurred by IIHT, Bargarh against the budget provision of Rs.86.56 lakh under the Plan Head.

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 textiles industry, particularly in 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 textiles designers and linkages to other textiles related sites.
- NCTD uploads various designs and layouts developed by the professional artists of the Weavers` Service Centres, based on the themes, and make them available to users and subscribers.
- **Off-line Activities:** Include holding of special exhibitions on sustained basis for increased product exposure and

awareness regarding handlooms products among the public.

The exhibitions of NCTD are held under the title "TANTAVI", meaning " of the loom" in Sanskrit, which is also the registered trademark of NCTD. NCTD is also making available the developed fabric samples to the manufacturers and exporters for development in large scale to cater local and export market requirement. NCTD converted full-length theme based fabric samples into 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 four themes - "Structured fabrics", "Patterned Fabrics" and "Coloured Structures & Patterns Fabrics" and "Brocade Textile Fabrics" have been organized upto 2008-09. The fifth in the series of "Tantavi" is based on "Silken" theme. Paper painted designs prepared by the Designers of Weavers Service Centres, has been selected and development of prototype samples of selected designs is under progress.

IMPLEMENTATION OF HANDLOOMS RESERVATION 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 on their livelihood by the powerlooms and mill sector. At present, (as per latest amendment vide No. S.O. 2160 dated 3.9.2009) eleven categories of textile articles are reserved under the Act. The physical progress of powerlooms inspections by various implementing agencies as on 31.10.2009, are at table 10.11.

It is expected that the Enforcement Machineries would achieve the target of 2,29,040 powerlooms by March 2010. The Government of India has been

Table 10.11

The Physical progress of Powerloom Inspections under Handloom Reservation Act, 1985

Sl. No	Physical progress	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 (upto 28.2.2010)
1.	Targets for Powerloom Inspections	1,82,280	1,91,387	2,00,949	2,09,290	2,15,575	229040
2.	No. of Powerlooms Inspected	1,88,588	2,14,062	2,15,245	249462	237111	197210
3.	No. of FIRs. Lodged	10	33	37	12	5	12
4.	Convictions	7	10	9	11	3	52
5.	Cases in pipeline	—	—	—	—	—	62

providing Central Assistance to the States/UTs for establishment of Enforcement Machinery under the "Non-Plan" scheme of "Implementation of the Handlooms (Reservation of Articles for Production) Act 1985". Details of the Central Assistance released to the implementing agencies under the scheme are at table 10.12.

Scheme for Reimbursement of one time rebate @ 10%

The 10% Rebate Scheme was introduced

during the financial year, 2006-07 for a period of three years which has been discontinued on 01st April 2009. The scheme was fully funded by the Government of India.

The main objective of the Scheme was to provide marketing support to the National level handloom organisations/agencies like (i) All India Handloom Fabrics Marketing Cooperative Society (AIHFMCS), (ii) Handicrafts and Handloom Export Corporation (HHEC), along with State level organisations like

Table 10.12

Central Assistance released to the implementing agencies under Handloom Reservation Act, 1985

Sl. No.	Name of State	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 as on 28/2/2010
1.	Andhra Pradesh	-	14.58	11.09	71.90	17.72	-
2.	West Bengal	-	19.66	-	11.58	11.40	-
3.	Gujarat	19.19	34.18	-	-	56.70	57.82
4.	Rajasthan	23.41	4.19	-	-	28.74	26.06
5.	Madhya Pradesh	7.20	6.23	-	-	11.73	-
6.	Haryana	5.60	-	-	28.00	-	16.10
7.	Tamil Nadu	64.60	41.16	78.91	38.53	23.71	132.78
	Total Exp.	120.00	120.00	90.00	150.00	150.00	232.76

(i) State Handloom Corporations/State Apex Cooperative Societies / Handloom Federations / Regional Handloom organisations 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 organising/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.

During the financial year 2008-09, assistance to the tune of Rs.53.32 Crore was released under the scheme to 14 States and one National level Handloom Organization, which helped in liquidating handloom products worth more than Rs.500.00 crore. Hence in the 3 years of implementation, assistance to the tune of Rs.112.97 crore was released during 2006-07 to 2008-09 and helped the handloom sector to market handloom products worth more than Rs.1000.00 crore.

ALL INDIA HANDLOOM FABRICS MARKETING COOPERATIVE SOCIETY LTD. (AIHFMCs)

The All India Handloom Fabrics Marketing Cooperative Society Ltd., New Delhi was established in 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 governed under the Multi-State Co-operative Societies Act, 2002 and comes under the jurisdiction of Central Registrar of Cooperative Societies, New Delhi.

The membership of Fabrics Society consists of Registered State/Regional Level Apex Handloom Weavers

Cooperative Societies ('A' Class), Primary/Districts Level Handloom Weaver's Cooperative Societies ('B' Class) and State Governments, Government owned/controlled Corporation engaged in production and sale of handloom products 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 2008-09, 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 Feb, 2010.

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 21 such Handloom Houses in Ahmedabad, Bangalore, Chandigarh, Chennai, Coimbatore, Ernakulam, Ghazipur, Gorakhpur, Gurgaon, Hyderabad, Kolkata, Lucknow, Salem, 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 2009-10 (upto Feb,2010 Provisional), the Society's sales turn-over was Rs.3540.00 lakh, including domestic sale of Rs.3125.00 lakh. The Society's exports during the year 2009-10 (upto Feb, 2010 prov) were of the order of Rs.415.00 lakh as against the figure of Rs.667.33 lakh in the previous year. The society reportedly has recorded a net profit of Rs.30.00 lakh during the year 2009-10 (upto Feb. 2010 prov.). The

Society has been working in profit consecutively for the last 49 years. During the year 2009-10 (upto Feb. 2010), an amount of Rs.257.13 lakh was released as Marketing Incentives under Integrated Handloom Development Scheme.

NATIONAL HANDICRAFTS & HANDLOOMS MUSEUM (NHHM)

The National Handicrafts and Handlooms Museum 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.

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.

ASSOCIATION OF CORPORATIONS AND APEX SOCIETIES (ACASH)

The Association of Corporation and Apex Societies of Handlooms (ACASH) is a

National Level Apex Handloom Society, establishment in 1984 and was registered with the Registrar of Cooperative Societies, Delhi under Society Act XXI 1860.

The membership of the Society is for (a) State level Apex Cooperative Handloom Societies (b) State Handloom Development Corporation and (c) National or inter-State Handloom Apex Societies and Corporations to coordinate and promote marketing in the Handloom sector. The ACASH is functioning as a nodal agency for supply of handloom goods to be purchased by the 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 the members of ACASH.

During the year 2008-09, ACASH had received orders worth Rs.3,290.78 lakh and executed orders worth Rs.2,709.05 lakh. During the year, 2009-10(upto Feb. 2010), ACASH had received orders worth Rs.30.58 crore and executed orders worth Rs.27.50 crore under STS.

HANDLOOM EXPOS/EXHIBITIONS

During the year, 2009-10, ACASH had organized 5 exhibitions, as at table 10.13.

During the Handloom Week 2009, ACASH has organized 2 National Handloom Expos in Delhi and Chennai and 4 Special Handloom Expos at Mumbai, Jaipur, Kolkatta, Guwahati and Patna.

In addition to the above, exhibitions elaborated at table 10.14 are proposed to be conducted during the year, 2009-10.

Table 10.13

Sl.No.	Name of Event	Period	Venue
1.	Paridhaan 2009	30.07.2009 to 12.08.2009	August Kranti Bhavan, Bhikaji Cama Place, New Delhi.
2.	Home Furnishing 2009	29.08.2009 to 13.09.2009	Handloom Pavilion, New Delhi.
3.	India Weaves 2009	06.10.2009 to 15.10.2009	Dilli Haat, New Delhi.
4.	Handloom 2009	14.11.2009 to 27.11.2009	Handloom Pavilion, New Delhi.
5.	Shawl Show 2009	03.12.2009 to 18.12.2009	Handloom Pavilion.

Table 10.14

Sl.No.	Name of Event	Period	Venue
1.	Silks of India 2010	16.01.2010 to 31.01.2010	Handloom Pavilion.
2.	Sarees of India 2010	06.02.2010 to 21.02.2010	Handloom Pavilion.
3.	Cotton of India 2010	01.03.2010 to 14.03.2010	Handloom Pavilion.
4.	Tie & Dye 2010	19.03.2010 to 02.04.2010	Handloom Pavilion.

HANDLOOM EXPORT PROMOTION COUNCIL (HEPC)

The Handloom Export Promotion Council (HEPC) 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 only to 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 1650 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 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:

1. Dissemination of trade information and intelligence to the member exporters.
2. Publicity abroad for Indian Handloom products.
3. Facilitating product diversification and adaptation to meet modern market requirements.
4. Providing impetus to modernization of handlooms for the export market.
5. Provision of design inputs to promote exports of handloom products.

6. Organizing business mission/buyer seller meet and participation in trade fairs abroad.
7. Consultancy and guidance services for handloom exporters.
8. Liaison with the Government of India on all procedural and policy matters relevant to the handloom export trade.
9. Dealing with trade complaints pertaining to handloom exports.
10. Liaison with import promotion and commercial agencies abroad for the benefit of handloom exporters.

25th Export Award Function

In its march towards its export promotional activities and to encourage the exporters, HEPC has been giving Export Awards regularly to the exporters in recognition of their outstanding export performance. Accordingly, the 25th Silver Jubilee Export Award Function was held at Hotel Taj Connemara, Chennai on 10th August, 2009. In this Silver Jubilee Award function, the meritorious exporters have been awarded for their excellent export performance for the years 2005-06, 2006-07, 2007-08 & 2008-09 Dr. M.K. Stalin, the Hon'ble Deputy Chief Minister of Tamil Nadu has distributed the export awards to the award winners in the Presence of Shri Dayanidhi Maran, Hon'ble Union Minister of Textiles, Govt. of India. During the Function, the Hon'ble Union Minister of Textiles also released a Special Souvenir brought out by HEPC. Further, 10 weavers were helped with Health Insurance Cheques under the Health Insurance Scheme of DC Handlooms.

Setting up of Design Studio

HEPC has prepared a project proposal and submitted to the Ministry of Commerce & Industry for setting up of Design Studios at Kannur (Kerala), Erode

(Tamil Nadu) & Hyderabad (Andhra Pradesh) under Market Assistance Initiatives (MAI) Scheme and the proposal has got the approval of the Empowered Committee of 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. Subsequently, HEPC has initiated the process of involving local Exporters/ manufacturers association and availing Government of India grant so as to enable the cluster to evolve designs suiting to the ever changing international market requirement. Subsequently, the Design Studio at Kannur was commissioned on 20-11-2008. The Design Studios at Erode and Hyderabad are expected to be commissioned shortly.

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 various handloom clusters 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

Workshops/Seminars organized by HEPC

The HEZ project at Nagercoil will be commissioned during December, 2009

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 places like i) Karur (Tamilnadu), ii) Chennai (Tamil Nadu), iii) Pochampalli

Export Promotion Activities

During the year 2009-10, the Export Promotion activities undertaken by HEPC are given at table 10.15.

Table 10.15
Participation in Exhibitions organized by HEPC in abroad : 2009-10

S.No.	Name of the fair	Date	No. of participants
1	Hong Kong Houseware fair, Hong Kong	20th to 23rd April 2009	22
2	EVTEKS fair, Istanbul, Turkey	21st -25th May 2008	10
3	Home Décor 2009, Poznan, Poland	3rd to 6th June 2009	8
4	20th India Home Furnishing Fair, Osaka, Japan,	28th to 30th July 2009	10
5	House & Gift Fair, Sao Paulo, Brazil	15th to 18th Aug2009	5
6	MACEF, Milano, Italy	4th to 7th September 2009	12
7	India Show, St. Pietersburg	30th sep to 3rd Oct'09	2
8	Heimtextil 2010, Frankfurt, Germany	10 -13 January 2010	39
9	Domotex 2010, Hannover, Germany	16-19 January 2010	37
10	Pret-a-porter, Paris, France	23-26th January 2010	8
11	IHF Fair, Chicago, USA	March 2010	5

Participation in Exhibitions organized by HEPC in India : 2009-10

Sl. No.	Activity	Date	No. of participants
1	Heimtextil India, Mumbai	10th to 13th October 2009	10
2	IHGF (Autumn) - Greater Noida	10th to 13th October 2009	13
3	IHGF (Spring), Greater Noida	20-23rd Feb' 2010	16 (Approx.)
4	Tex-Styles India, New Delhi	March 2010	40 (Approx.)

(Andhra Pradesh), and iv) Srinagar (Jammu & Kashmir).

The Council is proposing to organize Workshops/Seminars in the remaining months in i) Madurai (Tamil Nadu), II) Cannnanore (Kerala), iii) Panipat (Haryana), iv) Bangalooru (Karnataka), v) Patna (Bihar), vi) Jaipur (Rajasthan), vii) Shillong (Meghalaya) and viii) Imphal (Manipur).

The following are the other promotional activities undertaken by HEPC:

1. The Council publishes a monthly Newsletter titled "Handloom Export", which contains useful information connected with trade and policy matters, technical inputs, market reports, fashion trends, trade enquiries, statistical information etc.
2. The Council has brought out various booklets in connection with Buyer-Seller Meets, Trade Fairs Abroad for circulation during the fair and also for use as publicity material.
3. Council has been rendering its design services through its CAD department for the members as per their requirement. Besides, Council also provides information on Colour trend helping the members to develop their products as per the colour trend prevailing in the market.
4. The Council is having an Internet Enquiry Club and about 20 product enquiries received directly from various countries were forwarded to members registered for this purpose.

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, and efforts are being augmented during the 11th Five Year plan on the core issues for the development of the sector.

- Providing Infrastructural support for production & Exports
- Improve quality & product diversification with more awareness for both stakeholders & consumer.
- A greater role for NGO as implementing partners and participation of private resources - both human and financial.

In view of the 3% growth annually in Handicrafts sector, 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%, on the basis of this growth in the sector it is expected this employment to reach 80 lakhs by the end of 11th Plan.

The plan expenditure during the period also witnessed a steady growth increasing from Rs.71.65 crores in 2002-03 to Rs.220.00 crores in 2009-10. 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.12434.38 crores in the year 2002-03 to Rs.10,891.85 crores at the end of the year 2008-09 registering a cumulative decline 12.40%, The budget outlay for the year 2010-11 has been proposed for Rs. 285 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.

Schemes for Development of Handicrafts

During the XIth Plan the Government of India has implemented six generic schemes in the central sector for holistic growth and development of handicrafts

sector in the country. The schemes recommended for implementation during 11th five year plan are as under :

I. 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 craftspersons. 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 2009-10 till December - 09, an amount of Rs.42.76 crores has been released for various interventions and to implement 58 Nos. of new projects covering about 17000 artisans consisting



Inauguration of Cluster Creation, 2010 by Shri Dayanidhi Maran, Minister of Textiles in the presence of Smt. Panabaaka Lakshmi, Minister of State for Textiles at Dilli Haat

of 850 Self Help Groups, and during the year 2009-10 for the period ended up to December 2009, One lakh artisans have been covered under Skill Development Components. 57486 number of artisans credit cards have been issued all over India representing Credit worth of Rs.108 crores.

II. 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:

Skill up-gradation

- Departmental activities of Regional Design & Tec. Dev. Centres.
- Assistance for training the trainers.

- Assistance to Shilp Gurus.(heritage masters)

Assistance for Design and Technology Upgradation

- Design & Technology Development Workshop.
- Integrated Design and Technology Development Project.

Documentation Preservation and revival of rare and Languishing crafts

National Award for outstanding contribution in Handicrafts Sector

Financial Assistance for Institutions to be set up under State Initiatives

- State initiative Design Centres.
- Handicrafts Museum.

Setting up of Design Bank

Financial Assistance to Central Govt. sponsored Institutions

Product Development programme for exporters

During the year 2009-10 Rs. 14.00 crores have been allocated under Plan scheme of Design Scheme including NER. Against an allocation of Rs. 14.00 crores, an amount of Rs. 12.16 crores have been sanctioned till 31st December, 2009 for the activities viz 425 Design Workshops (Fresh/reimbursement), 22 Integrated Projects (Fresh/reimbursement), 04 State Initiative Design Centre (Reimbursement), 07 Shilp gurus (reimbursement), 02 Museum (Fresh/reimbursement), 01 Design Bank (Fresh), departmental activities undertaken by RD&TDCs and publicity.

III. 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 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 atleast

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.
- Social and Welfare Measures covering Initiatives to counter problems arising out of National/ International laws.

During the year 2009-10, 52 events conducted in different places.

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 2009-10 Rs. 21.27 crores have been released in respect of Domestic Marketing Section for 50 Gandhi Shilp Bazaar, 43 Craft Bazaars, 101 Exhibitions, 5 sourcing shows, 1 Marketing hub in Metros, 3 renovation of emporium, 86 State/Local level Marketing workshops and 74 Awareness Camp in Schools and Hiring of Stalls by various regions.

IV. 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 2009-10 Rs. 5.33 crores have been released upto Dec. 2009 for 4 Institutional Training programmes and 111 Programmes under guru shishya Prampara. A budget of Rs. 6.22 crores has been approved for implementation of different projects under the scheme for year 2009-10.

V. 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:

- Survey & Studies
- Conducting all India Census of handicraft artisans @ 20% districts of the country every year.
- Registration of Crafts under Geographical Indication Act &

Financial support for certification of raw materials and products.

- Setting up of new labs/strengthening of existing labs for standardization/certification of raw materials.
- Assisting handicrafts exporters in adoption of GSI global identification standards and for bar coding, including handicrafts mark for generic products.

During the year 2009-10 Rs. 2.40 crores have been released for 10 studies, 1 Seminar-cum-workshop & appointment of Nodal agency for pre-check and coordination of Census work of 40% districts in 6 regions of the country for the years 2007-08 & 2008-09 which is already under way and at different stages of completion. Census for remaining 60% of the districts is under finalization. A budget of Rs. 09.13 crores has been approved for implementation of different projects/studies under the scheme for year 2009-10.

VI. 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 2009-10 Rs. 61.26 crores have been released upto Dec. 2009 for coverage of 4,43,000 artisans under (RGSSBY) & under (Bima Yojana). A budget of Rs. 71.60 crores has been approved for bringing artisans under Insurance cover under the scheme for year 2009-10.

Export of Handicrafts

The export target for 2009-10 has been fixed at Rs. 32960 crores including carpets. During the month of Dec. 2009 registering a decrease of (-) 2.07% in rupee terms and (-) 10.00% in dollar terms in comparison to the export during the year 2008-09 both in Handicrafts and handmade carpet & other floor coverings.

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 export of both Handicrafts & Carpet may be seen on table 11.1.

Activities undertaken during 2009-10 by Export Promotion Council for Handicrafts

During the year 2009-10, Export

Promotion Council for Handicrafts undertaken the following main activities:

- Providing commercially useful information and assistance to members in developing and increasing exports.
- Offering professional advice and services to members in areas of technology upgradation, quality and design improvement, standards and specifications, product development, innovation etc.
- Organizing visits of delegation of its members abroad to explore overseas market opportunities.
- Organizing Indian handicrafts and Gifts Fair at New Delhi.
- Interaction between exporting community and Govt. both at the Central and State level and represents in almost all the committees/panels of Central and State.
- To create an environment of awareness through Workshops on "Export Marketing, Procedures and Documentation", packaging, Design Development, Buyer Seller Meet, Open House etc. interaction with Central and State Govt. and various other similar programmes.

Table 11.1

Export of Handicrafts

(Rs. in Crores)

Item	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 (April - Dec.)
Carpet & other floor covering	2779.79	2583.62	3082.06	3674.86	3524.73	2708.73	1737.47
Other Handicrafts	13555.48	16984.14	16185.59	17288.14	14012.05	8183.12	5536.28
Grand Total (A+B)	16335.27	18567.76	19267.65	20963.00	17536.78	10891.85	7273.75

- The activities of the EPCH, notification of Govt. Orders, information on Trade Fairs and other relevant information is disseminated by quarterly journal CRAFTCIL.

Activities undertaken during 2008-09 by Carpet Export Promotion Council

Carpet Export Promotion Council is registered as a Company Limited by Guarantee U/s 25 of the Companies Act, 1956 on 12th day of February, 1982.

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.

MEMBERSHIP

This Council has enrolled 1954 members.

ACTIVITIES OF THE COUNCIL FOR THE YEAR 2009-10

- Organized participation in EURASIA FLOOR-2009 where 10 member-exporters were participated and generated a good amount of business.
- Organized participation in Domotex Middle East in Dubai from 17-19 May, 2009 where 19 Member - Exporters participated and generated a good amount of business.
- Organized participation in 2009-Qinghai International Carpet Fair from 20-23 June 2009 where 10 Member Exporters participated.
- Organized participation in Design & Decoration Show from 16-19 July 2009 in Melbourne (Australia) where 12 Member-Exporters participated. And obtained good number of enquiries and business.

- Organized participation in 39th House & Gift Fair of Sao Paulo, Brazil from 15-18 August, 2009 where 21 member-exporters participated and generated good amount of business.
- Organized India Carpet Expo from 3 to 6 October, 2009 at Varanasi (U.P.). The Expo was inaugurated by Hon'ble Minister of State for Textiles. 203 Member-Exporters displayed their wide range of products and 247 overseas carpet buyers visited the Expo. Business worth Rs. 250.00 crores has been generated during the Expo.
- Organized participation in Japantex 2009 from 11-13 November, 2009 at Tokyo (Japan) where 9 Member exporters participated and obtained business and enquiries.

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 many 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. IDPL consists of 7 different diplomas out of 30 topics where as Short Term consists of 3 programmes. The Institute is also developing the Modular Employable Skill (MES) for the carpet sector. 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 8 functional years.

The activities undertaken by the institute during the year 2009-10 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 2009-10.
- **International Distance Learning Programme (IDP):** The total fee for all 6 modules for a Diploma is Rs.36000/-. DEC approval has been obtained.
- **Sort 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 377 new designs developed.

- **Sample Testing:-** 1122 Sample Testing.
- **Project on "Study on survey and documentation on carpet dyeing under R&D head has been completed.**
- **Project on "An Exploratory Study for Starting Training Centres for Traditional Skills Transfer in Carpet Industry" has been completed.**

ON GOING PROJECTS

- Setting up of Design Bank in Carpet design at Bhadohi.
- Skill development programme on application of computer & IT in carpet Industry.
- Documentation pm "Integrated Design and Technical Development project in Homotextile Fabrics".
- IICT Laboratory has been successfully assessed & accredited for NABL.
- Snehabha backing, invented by IICT, has been accepted for commercialization by MSME, Government of India & Govt. of U.P. in P.P.P. module.
- A book titled "Advances in Carpet Manufacture" authored (2 chapters) and edited by Prof (Dr.) K.K.Goswami has been published by Woodhead Publishing Ltd. U.K.
- Seminar titled "Colours and Designs on Carpet & Textiles" organized with EUPEA on 27th May 2009.
- Awareness programme organized on REACH in association with APITCO on 27th Nov. 2009.
- Awareness programme on

"Handicrafts with special reference to Carpet" sponsored by DC(HC), Ministry of Textiles, Govt. of India was organized on 14th and 15th Dec. 2009.

- Two students from 2005-09 batch are being awarded for gold medal and Silver medal from UPTU in B.Tech.

Metal Handicrafts Service Centre (MHSC), Moradabad

MHSC meets the international requirement of art metal wares 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 Nickel, 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 ware like metal coating thickness, testing of toxic elements present e.g. lead cadmium, mercury, hexavalent chrome etc., corrosion test, analysis on metal and its alloys 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 (Gujarat).

A testing laboratory has been established at MHSC, Moradabad to cater to quality control services of the trade. Laboratory is ISO & NABL certified.

MHSC is also implementing Mega Cluster project where a Common Facility Centre at a total cost of Rs. 7 crore (approx) would be established in metal finishing.

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:

- 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.

- Improvement of product design and quality and introduction of the same in the industry
- Improvement of the industry's wrong practices with regards to international market
- Upgrading the skills of craft persons
- Create appropriate and broader job opportunities

During the year 2009-10, the National Centre for Design and Product Development following activities were sanctioned:

- Ten Design and Technical Development Workshops in different crafts.
- One Design Bank.
- Five Integrated Design Projects in different crafts.

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. In order to operationalise Bamboo and Cane Development Institute (BCDI), an agency namely i.e. NCDPD has been assigned the task of undertaking day to day management of BCDI, Agartala with the approval of HMOT. A sum of Rs.2.02 crore has been sanctioned in favour of NCDPD which represents the payment of recurring and non-recurring expenditure for operationalization of Institute, Agartala.

IMPORTANT PROJECTS

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. In case of Mega cluster at Moradabad Rs.25.75 crores have been sanctioned and Rs.10.29 crores released during the year 2009-10 (upto December 2009).

Consequent upon the Hon'ble Finance Minister's Budget announcement 2009-10, two new mega cluster projects for carpet Sector at Mirzapur-Bhadohi (U.P.) and Srinagar (J&K) have been taken up for implementation. The scheme envisages Government of India support to the extent of seventy crores per Mega cluster.

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.

URBAN HAAT

So far setting up of 36 Urban haats across the country have been approved. 18 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)
- Agra (UP)
- Bhuj (Gujarat)
- Pitampura (Delhi)
- Dimapur (Nagaland)
- Raipur (Chattisgarh)
- Jaipur (Rajasthan)
- Dilli Haat Part-II (Delhi)

Website Development

Office of the Development Commissioner (Handicrafts) is in process of development of two portals are as follows:

AHVY CLUSTER PORTAL

Office of the Development Commissioner (Handicrafts) is in the process of Development of AHVY Cluster Portal for promotion of Handicrafts with the objective to provide marketing linkage to handicrafts clusters covered under AHVY scheme.

The portal will have all the information of AHVY cluster such as Detail of AHVY scheme, AHVY Beneficiaries, Cluster map, Cluster Directory, Design Gallery, and 50 products of each clusters shall be showcased in the portal. Initially 500 cluster shall be covered. The portal will act as a platform to showcase the products and the buyer can directly interact with the cluster group through e-mail/ telephone.

STATUS

As of now the structure of website has been finalized, around 12924 products photographs and data of 431 implementing agencies have been categorized and uploaded in the website. Further data collection and development is in progress. It expected to launched the portal by next 3 months.

THEME BASED CLUSTER PORTAL

Office of the Development Commissioner (Handicrafts) is in the process of development of a "Theme Based Cluster Website" in 8 foreign languages for promotion of Handicrafts in respect of identified themes with an objective to provide marketing platform covering all stake holders such as Shilp Gurus, National/State Awardees, National Merit Certificate, Artisans under AHVY Clusters, Entrepreneurs, Exporters, Retailers and to facilitate foreign buyers to access this portal. This website will also guide the tourists visiting 18 tourist places to reach the desired handicrafts outlets (emporium/retailers) to make their purchases.

Themes identified are:

- Needle Craft
- Natural Fiber and Eco friendly.
- Tribal Craft
- Fashion Accessories
- Festival Decorations.

The portal is proposed to have catalogue with photographs of 45000 products of above 9000 handicrafts entities, facility to send email inquiry directly to entity, profile & contact information of entity, linkage to website of entity (if any) search options, News and Events, etc.

STATUS

As of now the structure of has been finalized, 13000 products photographs have been categorized and added to the website.

Snaction of Training and Design interventions to 1.00 Lakh artisans for skill enhancement

A comprehensive drive for skill enhancement of artisans was undertaken and Training and Design Development

programmes for more than 1.00 lakh artisans were sanctioned.

The details of Training & capacity development sanctioned for artisans are:-

1. Under Ambedkar Hastshilp Vikas Yojana	- 85300
2. Under Human Resource Development	- 8115
3. Under Design & Tech. Up-gradation	- 11740
Total	- 1,05,115

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 at a total cost of Rs.41.00 crore has been sanctioned with the share of Office of DC (Handicrafts) as Rs. 10.00 crore and rest of the amount will be invested by DMRC. 1st installment of Rs.5.00 crore towards Gol's share has already been handed over by Secretary (Textiles) to Shri E. Shreedharan, MD, DMRC.

Census of handicrafts Artisans in the country

The Census of Handicrafts on the framed policy of covering 20% districts of the country every year was started in the year 2007-08. Based on this policy the census operation was continued for further 20%/40% of the districts in the year 2008-09. The policy however was changed on the recommendation of Parliamentary Standing Committee on Labour to have one time census/survey conducted. The process of awarding of census work to qualified organizations for the remaining 60% districts in the country has been completed.

Availability of free design for Handicrafts Artisans

M/s NCDPD has launched website to provide free designs to different stake holders. Around 1000 designs have been kept in public domain through website with address www.handicraftdesignbank.com:

Camp approach for Artisan Credit Card

A cluster based approach in consultation with different PSU Banks was undertaken to facilitate credit availability of artisans through Artisan Credit Cards. Camps were organized in major clusters like Moradabad, Jodhpur, Saharanpur, Puri etc. where artisans were mobilized for filling the forms of Artisans Credit Card. All other documentation were also

completed in these camps. 1,00,000 forms of Artisans Credit Card from entire country have been targeted and forwarded to different PSUs for issuance of Artisans Credit Card. 12000 cards have been issued leading to credit facilitation of 35 crore.

Celebration of Handicrafts Week

Handicrafts Week was celebrated all across the country from 8-15 December 2009. The curtain raiser for this week was master creation programme in which art work of 150 awardees were displayed at Dilli Haat. The Handicrafts Week was inaugurated by Shri Dayanidhi Maran, Hon'ble HMOT. Further events including workshops, health Camps. Awareness camps, Exhibitions etc. were held all across the country to celebrate the week.

CHAPTER XII
PUBLIC SECTOR
UNDERTAKINGS

CHAPTER XII

PUBLIC SECTOR UNDERTAKINGS

NATIONAL TEXTILE CORPORATION LIMITED (NTC)

The National Textile Corporation Limited (NTC) was incorporated in April 1968 to manage the affairs of the private sector sick textiles 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 (Nationalisation) 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(HC) Ltd., the Holding Company, having its registered office at New Delhi, was managing its mills through 9 Subsidiary Corporations, having 119 mills initially.

CAPITAL STRUCTURE

Initially NTC Ltd. had an Authorized Capital of Rs.10.00 crores which is now Rs.5000 crores as on 31st March,2009 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 NTC, which has been revised in 2006 & 2008. In accordance with the scheme, out of total 119 mills, 77 mills have been closed and 2 have been transferred to the State Govt. of Puducherry. 24 mills are to be modernized by NTC itself of which 17 mills have been modernized. 16 are being modernized through Joint Venture route. 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 BIFR on 4.9.2008. As envisaged in the table 12.1, the Modified Scheme (MS-08) takes into account the various modifications 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. Action is in process to obtain approval of the Cabinet on MS-08.

INAUGURATION

On 22.8.2009, Minister of Textiles, Shri Dayanidhi Maran inaugurated four modernized mills namely (1) Sri Rangavilas Mills (2) Pankaja Mills (3) Cambodia Mills and (4) Coimbatore Murugan Mills.

Table 12.1
New Scheme "MS-08"

Amount (Rs. in Crores)

A) COST OF SCHEME	Rs. in Crores
Modernization of Plant & Machinery in 22 mills	1155.96
Margin Money for working capital	54.02
MVRS amount	2490.87
Pressing Creditors (balance)	328.13
Wage support during implementation period	1668.94
Interest and related expenses on bonds	858.56
Bonds redemption	2028.04
Statutory dues	224.55
Payment of secured creditors (OTS)	293.65
Total	9102.72
B) MEANS OF FINANCE	
Interest free loan from GOI against shortfall in wages	1643.84
Funds from sale of Land & other assets	7033.22
Bonds issued	2028.04
Interest earning	234.89
VRS grant received	55.47
Rent Received	7.21
Total	11002.67

MILESTONES ACHIEVED UNDER THE REVIVAL SCHEME

- The entire workers of the mills identified for closure and the surplus employees in the viable mills in addition to those employees who were desirous to go under MVRS in the various offices, were given MVRS at a cost of Rs. 2205 crores. So far, 60859 employees have gone accepting MVRS.
- Out of the 119 mills, 77 mills have been closed and 2 have been transferred to the State Govt. of Puducherry. 24 mills are to be modernized by NTC itself and 16 to be modernized through Joint Venture route.
- 17 of the mills have completed modernization. The 18th mill, viz., Cannanore Spg. & Wvg. Mills, Cannanore is in advanced stage of completion. The 3 mills are composite mills which are new projects and the spinning segment of the project is expected to be commissioned by March/April, 2010.
- The Company has so far spent Rs. 662 crores for the modernization of 22 mills, out of a total of Rs. 1155 crores.
- Relocation of mills for modernization - BIFR approved relocation of 4 mills - one each at Achalpur (Maharashtra); Hassan (Karnataka); Ahmedabad (Gujarat); and Udaipur (Rajasthan).

Setting up of these projects will transform the Company into an integrated textile company.

- NTC has completed the process of revival of 5 joint venture companies. Two of the mills have started the activities - one in the Aurangabad Textile Mills for garmenting and work-wear and the other New City of Bombay Mfg. Mills Ltd. has set up a design studio and setting up sampling and garmenting unit.
- There is no budgetary support from the Govt. for the wages in the year 2009-10. NTC is generating resources for wages payment.
- The Company has sold surplus assets worth Rs. 4048 crores under the Revival Scheme.
- NTC has already paid Rs. 1910 crores on redemption of bonds and Rs. 777 crores as interest on these

bonds. The last installment of Rs. 126 crores is payable in January, 2010.

Financial Results

The net profit/cash loss for the 2008-09 (aduted) 2009-09 April-Sept.09 and expected for the year 2009-10 is given at table 12.2.

Production

The production of Yarn & Cloth in NTC mills during 2008-09. April-Sept.09 and expected for the year 2009-10 is given at table 12.3.

Turnover

The sales of Yarn and Cloth in NTC mills during 2008-09, 2009-10 (upto Sept.09) and 2009-10 (Projected upto March, 2010) has been Rs. 405.43 Crs. Rs. 238.33 Crs. and Rs. 480 Crs. respectively. Details are given at table 12.4.

Table 12.2
Financial Results

(Rs. in Crores)

S. No.	Particulars	2008-09	2009-10 (Upto Sept. 2009)	Projected for F.Y. 2009-10
A.	Net Profit (+)/Loss (-)	4179.43	(52.81)	(150.00)
B.	Non-Operative expenses			
	i) (+) Gratuity, leave provision etc.	42.54	20.00	40.00
	ii) (+) Other provision etc.	3.06	-	-
	iii) (+) Depreciations	22.91	15.82	35.00
	iv) (+) Interest on Govt. of India loan	19.62	15.00	39.80
	v) (-)Provisions for taxes for prior period	202.91	-	-
	vi) (-) Other provisions written back	13.71	-	-
	vii) Interest waived by GOI	2727.13	-	-
	viii) Interest written off	1205.80	-	-
C.	Sub Total=(i) to (viii)	4061.42	50.82	114.80
D.	Cash Surplus/deficit (A+C)	118.01	(1.99)	(35.20)

Table 12.3

S. No.	Particulars	Yarn Lakh Kgs.	Cloth Lakh Mtrs.
1.	Actual for 2008-09	281.45	140.19
2.	2009-10 (Actual for April-Sept.2009)	155.33	69.40
3.	2009-10 (Expected)	315.00	140.00

Table 12.4

(Rs. in Crores)

S.No.	Particulars	Yarn	Cloth	TOTAL
1.	Actual for 2008-09	338.22	67.21	405.43
2.	2008-09 (Actual for April-Sept. 2009)	187.52	50.81	238.33
3.	2009-10 (Expected)	375.00	105.00	480.00

Employment

At the end of Oct.09 there were 10370 employees on roll in NTC Group. Since April 1, 2002 to Oct. 2009, 60859 employees have availed VRS and an amount of Rs. 2205 Crores has been paid to them.

Employment of Women

At the closing of year 2008-09, in NTC Group there were 28 women employees of the rank of Assistant Manager and above against a total of 718 officers. Similarly, there were 549 women employees of the rank of Senior Assistant and below, against a total 10750 employees in the category. The percentage representation of women employees in the above two categories comes to 3.90% and 5.11% respectively.

Vigilance Activities

As a preventive step, guidelines issued by the Vigilance Commission from time to time, are being circulated to all the concerned officials for information and

strict compliance. The complaints received from various sources are being looked into and processed promptly as per the guidelines issued by the CVC. Further, regular/surprise visits are being made by the vigilance officials in different units/offices of the Corporation. The rotational transfers/posting on sensitive areas are being monitored from time to time. The Annual Property Return etc. of the officials/officers are being scrutinized. Agreed list and Officials of doubtful integrity (ODI) list are being prepared regularly.

THE BRITISH INDIA CORPORATION LIMITED (BIC)

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 (Dariwahl), Punjab in its meeting held on 18.12.2002. The cost of the Scheme, which was approved by BIFR, was Rs. 210.51 crores. Some of the obligations from GOI were fulfilled like as 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 which 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. 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. MRS was sent for obtaining Cabinet Approval wherein cabinet directed that MRS be examined by BRPSE, which is under process.

CAPITAL STRUCTURE

The BIC Limited started with authorised

share capital of and 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, 2007-08 (AUDITED), 2008-09 (UNAUDITED) 2009-10 (upto NOV. 30, 2009) (PROJECTED)

FINANCIAL RESULTS

The net profit/cash loss for the year, 2007-08 (AUDITED), 2008-09 (UNAUDITED) 2009-10 (upto Nov. 30, 2009) 2009-10 (PROJECTED) of BIC Limited are given at table 12.5.

Production

Production of cloth in BIC Mills during 2007-08, 2008-09, (UNAUDITED) 2009-10 (PROVISIONAL) & 2009-10 (PROJECTED) is given at table 12.6.

TURNOVER

The sale of cloth in BIC Mills during the year 2007-08, 2008-09, (UNAUDITED) 2009-10 (PROVISIONAL) & 2009-10 (PROJECTED) is given at table 12.7.

EMPLOYMENT

As on November 30, 2009, employees in CWM Branch were 1298, 1054 in NEWM Branch and 90 in the Corporate Office.

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

Table 12.5

(Rs. in lacs)

Sl. No.	Particulars	Audited For the year 2007-08	Unaudited For the year 2008-09	Unaudited (upto Nov-30) 2009-10	Projected for F.Y. 2009-10
1.	Net Profit (+)/Loss (-)	3127	-3740	-2451	-4287
2.	Non-operative expenses				
	i) Govt. interest & guarantee fee	449.00	592	618	1195
	ii) Depreciation	58.00	61	39	40
	iii) VRS	0.00	0	0	0
	iv) Provisions/Taxes	-5.00	0	0	0
	v) Prior period expenses	53.00	0	0	0
	SUB TOTAL:	555.00	653	657	1235
3.	Total (=1+2)	3682	-3087	-1794	-3052
4.	Non-operative Income				
	i) Interest waived by Creditors	Nil	0	0	0
	ii) Profit on sale of Assets	4051	0	0	0
	iii) Provisions written back	Nil	0	0	0
	iv) Grant/Loan from GOI	1800	2500	1755	2500
	SUB TOTAL:	5851	2500	1755	2500
5.	Cash profit (+)/-loss (-) (-) 3-4	(-)-2169	-5587	-3549	-5552

Table 12.6

Sl. No.	Particulars	Cloth Lacs Meters
1.	Actual for 2007-08 (Audited)	0.70
2.	Actual for 2008-09 (Unaudited)	0.15
3.	Provisional for 2009-10 (upto-to-Nov-30)	0.14
4.	Provisional 2009-10 (Projected)	0.54

Table 12.7

Sl.No.	Particulars	(Rs. in lakhs)
1.	Actual for 2007-08 (Audited)	631
2.	Actual for 2008-09 (Unaudited)	370
3.	Provisional for 2009-10 (upto-to-Nov-30)	119
4.	Provisional for 2009-10 (Projected)	310

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 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/banks amount to Rs. 4.52 crores/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 in time nor could generate the funds for working capital. Presently, full amount of OTS of Bank & FIs has been paid except interest of SBI levelled on delayed payment as stipulated in the SS-02 i.e. Rs. 11.54 crore.

ACTION TAKEN BY THE COMPANY SO FAR

The company has allowed VRS to the employees 535 nos. identified as surplus and the expenditure of Rs. 17.50 crores incurred thereon.

a. BIC Limited has invested in the

modernization/renovation Rs. 17.50 crores in purchase of new renovation of old machines.

- b. BIC Limited realised Rs. 92.25 crore from sale of assets upto March 2009.
- c. BIC Limited made the payment of SBI amounting to Rs.87.75 against OTS amount Rs. 87.75 crores upto March, 2009.
- d. BIC Limited made full payment of Financial Institutions (OTS amount) Rs. 4.52 crores.
- e. BIC Limited prepared and got approved a Modified Draft Rehabilitation Scheme from BIFR the means of finance, cost of scheme is at table 12.8.

ACTION TAKEN 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 08.08.2009.
- In the compliance of directions of Cabinet dated 08.08.2008, BIC has arranged an other bridge loan of Rs. 10.00 crores (in addition to bridge loan of Rs. 5.00 crores earlier) from NTC. A non plan budgetary provision of Rs. 25.00 crores as loan to BIC Ltd. has been made in the RE 2008-09. Out of Rs. 25.00 crores. Rs, 15.00 crores has been released as a loan for meting out its salary requirement during 2008-09
- Revival Scheme detailed working has been circulated for Inter - Ministerial consultation.
- As per direction of Cabinet action was taken regarding inter ministerial consultation and scheme alongwith

Table 12.8

(Rs. in Crores)

Means of Finance		Cost of Scheme	
1. Conversion charges to be recd. from GOI.	47.35	1. Modernization/Renovation.	26.90
2. VRS amount for 772 employees.	60.00	2. Working capital and Contingency	36.20
3. Receipt from sale of surplus assets.	115.93	3. Payment to U.P. Government (conversion charges	47.35
4. Grant for salary & wages Rs.50 crores for two years.	50.00	4. Payment of SBI	16.17
		5. Payment of arrears of rationalized Pay Scale employees	22.00
		6. Payment to Jal Sansthan, Nagar Nigam and subsidiary company Payment of VRS	6.66
		7. Expenditure on Marketing	60.00
		8. Development	8.00
		9. Expenditure for salary & wages Rs.50 crores for two years.	50.00
Total	273.28	Total	273.28

their recommendations was sent to Cabinet for its approval wherein it was reverted back to get it examined by BRPSE.

- MOT suggested the company before sending scheme to BRPSE a fresh techno economic viability report be prepared. The report is under preparation WRA.

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 as Registered Company in the year 1911, comprising of the Elgin Mills 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 winding 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 High Court of Allahabad who granted stay on 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 pronounced 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.

- Raising of resources for implementing the scheme through sale of surplus land and assets valued approx. at 216.70 crores (approx.).

- One Time Settlement (OTS) with the secured Creditors through budgetary support of Rs. 80.01 crores.
- 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 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 directions of BRPSE, NTC has prepared the revival plan of Elgin Mills no. 2, which has been approved by BRPSE and the scheme is under consideration of Government.

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 pint 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 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 lakh. The main objectives of the

Corporation are to :

- carry on the business of all types of yarn for the benefit of the handloom sector.
- organize supply of quality dyes and related materials needed by the handloom sector.
- promote marketing of handloom fabrics.
- 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 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 three years is given at table 12.9.

Under MGPS, NHDC is operating "Depot Scheme" of the Government of India, wherein, 650 depots have been made operational till 28th February, 2010.

2. The corporation is also supplying quality dyes and chemicals to the

Table 12.9

Year	Quantity (in lac kg.)	Value (Rs. in lakh)
2006-07	437.210	38,810.05
2007-08	678.210	56,305.17
2008-09	855.12	79,377.57
2009-10 (upto Feb., 2010)	919.17	83,728.62

handloom sector at competitive prices under the scheme. The details of supplies made during last 4 years by the NHDC are given at table 12.10.

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 4 years are given at table 12.11.

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 about the latest technologies in the handloom sector and also 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 three years are given at table 12.12.

Table 12.10

Year	Dyes & Chemicals	
	Quantity (in lakh kg.)	Value (Rs. in lakh)
2006-07	20.70	1,729.61
2007-08	21.48	1,897.78
2008-09	39.13	2,796.56
2009-10 (Prov.) (upto Feb. 2010)	45.37	2,692.20

Table 12.11

Year	No. of events	No. of participating agencies	Total sale (Rs. in crore)
2006-07	6	303	10.12
2007-08	9	665	25.23
2008-09	12	994	34.43
2009-10 (P) till Jan. 2010	11	861	30.48

Table 12.12

Turnover, Profit and Dividend: National Handloom Development Corporation

(Rs. in lakh)

Year	Turnover	Net Profit	Dividend	MOU rating
2006-07	41,716.25	103.90	21.00	Very Good
2007-08	58,867.17	104.52	22.00	Very Good
2008-09	82,948.34	393.84	80.00	Excellent
2009-10 (upto Feb.,2010)	87,308.82	325.51	—	—

NATIONAL JUTE MANUFACTURES CORPORATION LIMITED

The National Jute Manufactures Corporation Limited (NJMC) was incorporated in 1980. Constituted by six nationalized jute mills viz. National, Kinnison, Khardah, Alexandra, Union & RBHM of which the first five are located in and around Kolkata and RBHM at Katihar, Bihar. NJMC is the only Public Sector Undertaking engaged in Jute goods manufacture. The Mills produce 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 Lakh tonnes per annum, which went up to 1.33 Lakh tons in 1985-86. However, there has been continuous decline in production thereafter. Since 2004-05, all the six units of NJMC are non operational due to disconnection of power supply by CESC / BSEB for non-payment of their dues. The trend of production, productivity & performance is given at table 12.13.

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).

BIFR in an order dated July 8, 2004, confirmed winding up of the NJMC Ltd. in terms of Sec.20(1) of Sick Industrial Companies (Special Provision) Act, 1985 (SICA). and forwarded the case to the Calcutta High Court for winding up of the company and appointment of official Liquidator.

On January 6, 2005, a 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 the said order Whereupon the matter was heard by the Division Bench on February 7, 2005, and stay was granted which is presently operational. Meanwhile, 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 of March 24, 2005 approved the following guidelines as a Plan of Action for the NJMC Ltd.

- (i) To reduce the manpower of the

Table 12.13
Physical & Financial Performances of NJMC

(Rs. in crore)

Particulars	2007-2008	2008-2009	2009-2010 [Estimated]
Production (M.T.)	—	—	—
Sales	—	—	—
Processing Income	—	—	—
Other Income	11.53	17.93	2.00
Accretion / Decretion of stock	—	—	—
Total	11.53	17.93	2.00
VRS Expenditure	—	54.15	155.00
Wages & Salaries (including Gratuity)	30.39	23.90	20.00
Other Expenses	12.76	6.00	6.00
Fringe Benefit Tax	0.08	0.11	—
Interest on GOI Loan	439.36	479.23	560.00
Interest - Others	55.60	6.13	2.00
Depreciation	0.20	0.18	0.16
Extra ordinary Income	9.02	24.98	—
Prior Period Adjustment	(20.70)	6.92	—
Total	516.71	601.60	743.16
Net Loss (after charging interest on Govt.Loan)	505.18	583.57	741.16
Net Loss (Before charging interest on GOI Loan)	75.82	104.44	181.16
Cash Loss for the year (before charging interest on Govt.loan and extra ordinary items)	87.30	72.36	181.00

- 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 R. 978 crore 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 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 that along with the revival of Kinnison and Khardah Mills in the public sector, the possibility of one or more appropriate private partner with their revival as in the scheme for revival of Katihar Mill should also be explored.

AAIFR vide order dated March 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 barring a handful have opted for VRS and have been released. The Secured liabilities of NJMC have also been liquidated, and most of the Statutory dues of NJMC have been settled as well. A revised revival plan for NJMC Ltd. is under consideration of Government.

BIRDS JUTE & EXPORTS LTD. (BJEL)

The 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'1988 after a virtual closure for 8 years during which period the condition of plant and machinery 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'1998. The production of the company was resumed in the month of August 2001 after an interval of about 3 years and after repairing major machinery and payment of electricity bills. However, the production in BJEL was again discontinued from October'2002.

The performance of BJEL during 2009-2010 in comparison to previous year is as given at table 12.14.

Huge interest burden of unsecured loan from holding company and Govt. of India is a significant part of loss of the current year. Moreover, nothing could be realized from production activity.

Reference to BIFR

The Company, being sick, was registered with Board for Industrial & Financial Reconstruction (BIFR). The BIFR in an order dated 08.07.2004 had confirmed winding up order of BJEL and referred the matter to Hon'ble High Court of Kolkata. The Hon'ble High Court in an 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 to this day.

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. A revival plan for BJEL is under consideration

Table 12.14

(Rs. in lakh)

Physical Production	2007-08	2008-09	2009-10 (upto dec.09)	2009-10 (Upto March-10)
Own Fabrics (Mtrs)	0	0	0	0
Contract(Mtrs)	0	0	0	0
Financial Result	(Rs.in lac)	(Rs.in lac)	(Rs.in lac)	(Rs.in lac)
Sales value of Production	0	0	0	0
Rent & other Income	42.79	10.31	5.40	7.20
Total	42.79	10.31	5.40	7.20
Raw Material	0	0	0	0
Stores	00.15	0.22	00.9	0.12
Salary & Wages	24.06	25.44	13.75	18.35
Other expenses	35.77	98.65	41.16	54.88
Interest	478.37	666.70	450.00	600.00
Depreciation	7.70	7.57	5.55	7.40
Total	546.05	798.58	511.35	680.75
Net Loss ⁹ before adjustment)	503.26	788.27	505.96	673.55
Adhustment	0.77	4.63	-	-
Net Loss(After adjustment)	504.33	783.64	505.96	673.55
Cash Loss	496.33	776.07	500.41	666.15
Cumulative Net Loss	6388.95	7172.59	7678.55	7846.14

of the Government.

HANDICRAFTS & HANDLOOMS EXPORTS CORPORATION OF INDIA LTD.

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, alongwith 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 year2008-09, the Corporation achieved a turnover of Rs. 1592.18 Crore as against Rs. 703.40 Crore in 2007-08. The main reason for increase in turnover is due to higher bullion imports which increased from Rs. 673.04 Crore in 2007-08 to Rs. 1545.44 Crore during the year 2008-09. The increase in exports from Rs. 26.01 Crore in 2007-08 to Rs. 43.14 Crore during the year 2008-09 is due to re-export of Bullion and increase in sale of jewellery through exhibitions.



Union Minister of Textiles, Thiru Dayanidhi Maran launching the e-commerce website of HHEC & CCIC. Also seen are the Minister of State for Textiles, Smt. Panabaaka Lakshmi (centre) and Smt. Rita Menon, Secretary (Textiles)

Signing of MoU for the year 2009-10 between the Handicrafts & Handlooms Exports Corporation of India Ltd. and Ministry of Textiles Smt. Rita Menon, Secretary (Textiles) and Shri K. K. Sinha, CMD, HHEC.

E-Sale Website

The E-sale website of HHEC WWW.hheconline.in, was launched by the Hon'ble Minister of Textiles Thiru Dayanidhi Maran on 20th August, 2009. The website was designed under the 100 days agenda of Ministry of Textiles. E-Marketing of more than 1000 differentiated products of handicraft, handlooms, carpets, jewellery etc. has been done through the website on international panel and further various steps are being taken to increase the number of items on the web-portal of HHEC.

STATISTICS

During the year 2008-09, the Corporation has ended with a loss of Rs. 0.47 Crore as against a loss of Rs. 7.09 Crore last year. The reduction in net loss is possible due to increased earnings from Bullion imports, optimal utilization of idle assets, improvement of profit margin in core area and reduction in overheads. The performance of the Corporation in 2008-09 in relation to major indicators is given below:-

Turnover	- Rs.1592.18 Crore
Profit/(Loss) before Tax	- Rs. (0.43) Crore
Profit/(Loss) after Tax	- Rs. (0.47) Crore

For the financial year 2009-10, the provisional figures indicate an

improvement in the financial position of the Corporation and the Company may turn up with profit.

EXPORT AND EXPORT PROMOTION

1. During the year 2008-09, the direct export of the Corporation amounted to Rs. 14.82 Crore as against Rs. 22.92 Crore in 2007-08. The decline was mainly due to the global recession due to which Indian textiles and crafts sector was hit badly resulting in loss of turnover from the main markets of the Corporation in USA, Japan and Europe.
2. The Corporation participated in a number of International fairs, viz., Heim-Textile (Frankfurt-Germany), India Home Furnishing Fair (Osaka, Japan), Dubai Shopping Festival (Dubai) and SAARC Trade Fair (Colombo, Sri Lanka) etc.

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.

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.6859.02 lakhs 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.313.37 lakhs as compared to Rs.342.48 lakhs in the previous year.

c) Profitability

The Gross Profit during the year 2008-09 decreased from Rs.3836.75 lakhs in the previous year to Rs.3454.31 Lakhs. The decrease in gross profit is due to decrease in turnover resulting from economic slowdown across the world and decline in tourism to India following terror attacks in Mumbai on 26.11.2008. The overheads of the Corporation increased by 8.11% from Rs.3138.50 lakhs in the previous year to Rs.3393.18 lakhs in the current year. The year 2008-09 ended with a pre-tax profit of Rs.61.13 lakhs 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 12.15.

Development of Designs

The Corporation laid special 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

Table 12.15

(Rs. in lakhs)

		2006-07	2007-08	2008-09	2009-10 (Prov.)
Turnover*	-Retail	8106.27	7493.81	6859.02	6675.00
	- Bulk Orders	2413.32	999.53	Nil	Nil
	Total	10519.59	8493.34	6859.02	6675.00
Exports		511.09	342.48	313.37	300.00
Net Profit (+) / Loss (-) Before tax		22.18	698.25	61.13	Can be ascertained after finalization of accounts
Net Profit (+) / Loss (-) after tax		191.76	421.57	20.61	
Dividend		38.35	217.00	4.13	

*includes exports also.

(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 various in-house and outside thematic exhibitions, wherein newly designed products were displayed by the Corporation to expand the patronage of Corporation.

On-line Shopping

CCIC launched its enhanced online shopping website i.e. www.thecottage.in for its valued customers. The website displays about 1000 Handloom and Handicraft products with description for online shopping. The products can be

purchased through Secured payment gateway by credit card which is verisign certified. The products purchased can be shipped to any country all over the world. It has order tracking mechanism and links to various Govt. websites, Incredible India etc.

The website was inaugurated by Hon'ble Union Minister of Textiles Thiru Dayanidhi Maran on 21st August, 2009 in the presence of Minister of States for Textiles Smt. Panabaaka Lakshmi, Smt. Rita Menon, Secretary, Ministry of Textiles and media persons by online purchase of items displayed on the website.

Manpower Strength & Training

As on 31st January, 2010 the Corporation had strength of 344 employees as compared to 361 in the previous year.

THE COTTON CORPORATION OF INDIA LTD. (CCI), NAVI MUMBAI

The CCI was set up in 1970. with an objective of acting as (i) the canalising

agency for import of cotton and undertaking purchase of raw cotton, (ii) for giving necessary price support to enterprising cultivators growing new varieties of cotton developed as a substitute for imported Long & Extra Long Staple cotton (iii) and also for procuring raw cotton for textile mills both in public and private sectors. Over the years, its operations have undergone significant changes in keeping with the developments, which have taken place in the Indian cotton economy during the past two decades. Subsequent to the Textile Policy of 1985, CCI's role was expanded to carry out commercial operations for meeting the cotton requirements of institutional buyers and to fulfill the export quota allotted to it by the Government. However, with the liberalisation of cotton exports through Open General Licence (OGL) from 2nd July 2001, the system of allocation of export quota in favour of different agencies has been dispensed with.

With the launching of the Technology Mission on Cotton (TMC) the CCI has been made the implementing agency for Mini Missions III and IV which pertains to improvement of marketing infrastructure and modernization/technological upgradation of the existing ginning and pressing factories.

Due to substantial increase in MSP rates fixed by the Government of India in the cotton season 2008-09, kapas prices had touched the MSP level in all the cotton growing States in the beginning of the season itself. Thus, the massive MSP operations of the CCI continued throughout the season in almost all the cotton growing States. As a result, CCI had made record MSP operation and procured 449.66 lakh quintals of kapas equivalent to 89.33 lakh bales as compared to 11.88 lakh equivalent to 2.22 lakh bales during the previous year through a network of 314 procurement centers and under

commercial operation purchased 25000 quintals of kapas equivalent to 4,930 bales as against 37.14 lakh quintals of kapas equivalent to 7.65 lakh bales through all the cotton growing states in the country.

The prevailing market price of cotton since October-November, 2008 started showing a downward pattern consequential to stagnating demand for textile products on account of global recessionary trend in major markets and also due to sluggish demand for cotton, the domestic mills had reduced the consumption of cotton. This has affected the overall sales of the CCI leading to higher level of inventory thereby creating storage problem of cotton bales at most of the procurement centres besides other risks of fire etc. Under these circumstances, with a view to achieve quick and larger sales, the CCI under directive from Government of India, has adopted and introduced aggressive marketing policies by revising the sales terms to domestic mill buyers by increasing the staggered free delivery period, period of deposit and bulk discount scheme on larger quantities effective from 25th February, 2009. The revised sales terms of the CCI got encouraging response from the mill buyers.

With the higher production in the country for the fifth consecutive year, there was abundant availability of cotton, facilitating cotton exports from the country. With a view to increase prospects of surplus cotton the incentive scheme in the form of duty credit scrip equivalent to 5% of FOB value of exports under Vishesh Krishi and Gram Udyog Yojna (VKGUJ) was in vogue from 1st April, 2008 to 30th June, 2009. However the cotton exports from India had not picked up in significant manner due to disparity in domestic prices as compared to international prices. Still, during the cotton season 2008-09, the CCI succeeded in selling around 43,000

bales in export as against 1.73 lakh bales during the previous year.

The sale turnover for the year 2008-09 was Rs.4972.20 crore comparing with Rs. 1636.83 crore for 2007-08. The net profit of Rs.107.74 crore (before tax) as against of Rs. 35.25 during the previous year. The net profit, after tax, was Rs.66.78 crore as against Rs. 22.55 crore during the previous year. CCI paid a dividend @ 20%, amounting to Rs. 1340.92 lakh for the year 2008-09.

The developmental activities of the Corporation having been covered under Mini Missions I and II of TMC, the Corporation has been undertaking Integrated Cotton Cultivation (Contract Farming) project for dissemination of technology to the farmers to increase the yield per hectare and improvement in quality, distribution of genetically pure certified seeds and pesticides, etc. During 2008-09 cotton season, the Corporation had extended Integrated Cotton Cultivation (Contract Farming) in cotton growing States, bringing an area of 46,837 hectares under contract farming. In order to supplement the efforts of the Ministry of Agriculture to increase the income of cotton growers and also to improve the quality of cotton, Best Management Practices (BMPs) literature is displayed in market yards/G&P units taken up under

the TMC project. This was also distributed through awareness meetings organized at State level / APMC level.

JUTE CORPORATION OF INDIA (JCI) LTD., KOLKATA

The Jute Corporation of India Ltd. (JCI) 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. The Corporation also undertakes commercial operation to generate profit from time to time. The Corporation has started marketing of non-traditional jute products in collaboration with the Jute Manufacturers Development Council (JMDC) through a Sales Emporium 'SONALI' at Kolkata. The Corporation also provides marketing research and acts as a decision-support-system in the field of agriculture marketing.

JCI has 171 Department Purchase Centres (DPCs) located in seven major jute growing States viz., West Bengal, Assam, Meghalaya, Bihar, Orissa, Andhra Pradesh and Tripura. The table below shows the amount of raw jute procured by the JCI from 2005-06 onwards. The procurement of jute by JCI under MSP operations from 2005-06 onwards is at table 12.16.

Table 12.16

Year (April-March)	Quantity (In lakh Bales of 180 kg each)		Production (In lakh Bales of 180 kg each)
	MSP	Commercial	
2005-06	—	1.40	85
2006-07	0.02	4.81	100
2007-08	7.66		97
2008-09	1.02		80
2009-10	*	85	

**Due to prices ruling above MSP no MSP operations have been carried out by JCI so far.*

The subsidy provided by the Government to JCI to maintain its infrastructure for MSP operations during the last four years is as under:

(Rs. in crore)

Year	Amount
2006-07	28.00
2007-08	30.00
2008-09	36.59
2009-10	36.59*

*Rs. 30 crore released till February 2010.

Jute Technology Mission (JTM)

The Government on June 2, 2006, approved the implementation of the Jute Technology Mission (JTM) at an estimated cost of Rs.355.55 crores, of which the outlay for mini missions III and IV will be Rs.38.60 and Rs.260.00 crores respectively. The Department of Agricultural Research & Education, Ministry of Agriculture, launched the Mini Mission I of the Jute Technology Mission (JTM) on November 9, 2006. The Department of Agriculture & Cooperative, Ministry of Agriculture, launched Mini Mission II of JTM on December 21, 2006. Mini Mission III and IV were launched by the Ministry of Textiles on February 6, 2007. JTM comprise four Mini-missions:

- 1) **Mini-mission I** - Strengthening of Research & Development
- 2) **Mini-mission II** - Transfer of Technology
- 3) **Mini-mission III** - Development of Marketing Infrastructure

4) **Mini-mission IV** - Modernisation/ Upgradation of Technology of Jute

Sector, and initiation of activities for promotion of Jute Diversified Products.

MINI MISSION-III

The JCI is implementing the Mini Mission III of the JTM. The Mini Mission-III involves, interalia, development of 12 market yards, construction of 35 departmental purchase centres and 50 retting tanks at an estimated cost of Rs 55.70 crore by the Jute Corporation of India (JCI) to benefit farmers. Of the 12 market yards, 6 will be developed in West Bengal in collaboration with West Bengal State Marketing Board. The Market yards are being set up at Champadanga, Bethuadahari, Karimpur, Toofanganj, Tulshihata and Dhupguri. The Market yards at Champadanga (West Bengal) and Bethuadahari (Assam) have been inaugurated.

Twelve Departmental Purchase Centres (DPC), 12 Centres are planned in West Bengal, 3 each in Assam, and Bihar and one each in Andhra Pradesh and Orissa. In West Bengal they are planned at Pandua, Kalna, Katwa, Harirampur, Karnojora, Panjipara, Islampur, Talmahat (Belakoba), Dinhata, Alipurduar and Mathabhanga. Ten DPCs have been completed and the work in ten other DPCs is under progress. The land identification for other DPCs is in progress.

The construction of 12 retting tanks completed in West Bengal with the help of NGOs. The construction of 10 retting tanks is under progress in newly constructed DPCs of JCI.

CHAPTER XIII
TEXTILE RESEARCH
ASSOCIATION (TRAs)

CHAPTER XIII

TEXTILE RESEARCH ASSOCIATION (TRAs)

COTTON TEXTILE RESEARCH ASSOCIATION (TRAS)

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
- Northern India Textile Research Association (NITRA), Ghaziabad.

Like other TRAs, these TRAs are textile 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)

During the year, ATIRA provided guidance to more than 20 units for the implementation of upgraded ginning

technology under TMC scheme. Moreover, training programmes for gin owners/managers, fitters and electricians were conducted at ATIRA in which around 300 members of 75 ginning units participated.

In the spinning area, more than 225 fresh spinning operators were trained in one of the well known textile units. The knowledge and skills were imparted by carrying out theory as well as on-job practical classes.

In the weaving area, skill development training programme was provided in two areas of Computer Aided Designing for Textiles covering 122 participants from the industry. Three months certificate course of 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. 67 training programmes were conducted for refreshing technical and other skills of workforce and generating awareness about the technology for powerloom industry covering a total of 1537 weavers, jobbers and owners. Services of fabric defect analysis and material analysis were provided to eighty seven clients of organized sectors of the textile industry. Technical training to fresh operatives was provided in all weaving preparatory processes and weaving departments. Total 89 operators in weaving preparatory and 190 operators in weaving were trained to operate most modern machines in the mills. 14 in-house training programmes were conducted for different categories of skilled workforce.

In Machinery Development, nine major

consultancy and shop floor training assignments in reputed mills on increasing ring frame productivity, reducing comber noil and machinery audit were taken 44 lots of 280 pieces of rings, travelers, spindles etc. were tested in the machine component testing laboratory.

In electronic and information technology, a prototype of an automatic garment cutting machine having 36"X36" vacuum chamber to hold multilayer of fabric (2" compressed height) was successfully developed and ready for commercialization.

Consultancy service was provided to 7 clients including shop floor friendly suggestions in 8 consultancy assignments.

Testing services provided to 20 clients. 90 samples of water (Bore, Boiler, Boiler feed) and 40 waste water samples were analyzed. Environment audit for 28 schedule - industrial units were conducted.

During 2008-09, laboratory received 743 service requests from the clients including 30 from the new clients and 4035 instruments/artifacts were calibrated/validated, totaling to 25,525 instruments/artifacts. 87 fabric samples were tested for total KES evaluation.

The library continued to provide services to the scientific and professional community. The library had a collection of more than 43, 350 books and bound volumes containing needs of textile industry. About 250 Books/bound volumes of periodicals were added during the year. The library subscribed about 150 national and international journals in the field of textile related the subjects. The library subscribed electronic versions of seven journals. The income from external library members is about Rs. 0.40 lakh per annum. About Rs. 0.25 lakh worth of publications/books and other information

products including ITCTI Books/Monographs were marketed through library during the year.

During the year, 200 articles were procured from national and international sources on demand. About 50 articles/patents were translated through translator's panel from non-English languages to English language. Three issues of TEXINCON 2008 and one issue of January 2009 were published.

THE BOMBAY TEXTILE RESEARCH ASSOCIATION (BTRA)

During the year, research and development activities at BTRA were directed towards developing cost effective techniques, product innovation, improving product (yarn/fabric)quality, ensuring utilities (energy and water) conservation, improving productivity and machine maintenance. BTRA engaged in the following research projects:-

1. Eco-friendly and user friendly machines
2. Eco-friendly chemical processes for functional finishing of textile fabrics
3. Effect of microwave radiation on polyester fabric
4. Studies on eco-friendly wash and wear finishing of cotton fabrics
5. Studies in finishing process to enhance the antistatic properties of textile materials.
6. Surface Modification of High strength fibres/fabrics using plasma technology.

BTRA conducted and imparted the following training programmes:-

- (i) ISO-9001 Quality Management Systems
- (ii) Maintenance of Weaving Machines

- (iii) Fibre to Fabric
- (iv) Four Point Fabric Inspection
- (v) Fabric Inspection & Fabric Testing

Following three research papers were presented in the 50th Joint Technological conference in Ahmdabad on March 4-5, 2009:

1. Durable antimicrobial finish for cotton fabric from plant materials
2. Modification of antistatic properties of industrial textiles
3. System Effectiveness in Cotton Ginning Process.

BTRA organized a workshop on 'Nonwoven Technical Textiles' at Mumbai on April 21-22, 2008.

BTRA conducted a half-day awareness programme on 'Registration Evaluation Authorisation of Chemicals'(REACH) on November 21, 2008.

BTRA organized a seminar on 'Engineered Textiles for Geotextile Applications' on March 20, 2009.

BTRA provided extensive liaison and consultancy services to solve problems of quality, maintenance and productivity at various levels for the textiles as per the details given at table 13.1.

Table 13.1

Technical investigations (Carried out)	58
Technical enquires attended	48
Local mill visits made (man-days)	340
Outstation mill visits made (man-visits)	176

BTRA provided the Testing Services during the year as given at table 13.2.

Table 13.2

Testing Details	Sample Tested
Fibre properties	5152
Yarn Properties	1226
Fabric Properties and Fabric analysis	4873
Technical Textiles testing	1152
Microbiology/Biotechnology testing	538
Special Testing	2095
Total	16,168

BTRA ran three Powerloom Service Centres (PSCs) at Ichalkaranji, Solapur and Madhavnagar-Vita to improve the quality, operating efficiency and productivity of powerloom clusters.

BTRA participated in the following exhibitions:

1. 'Fibres & Yarns 2008' exhibition, organized by Tecoya Infotech at Mumbai from 12th to 14th April 2008.
2. International Exhibition of Textile Machinery (India - ITME) held at Bangalore, on 15-22nd November 2008
3. Mini -exhibition organized during 50th Joint Technological Conference, Ahmedabad on 4-5 March 2009.

THE SOUTH INDIA TEXTILE RESEARCH ASSOCIATION (SITRA)

During the year under review, SITRA carried out 27 research projects, 16 of which were completed. SITRA attended more than 125 consultancy assignments.

The physical and chemical laboratories have been accredited by NABL for ISO/IEC-17025 for the various fibre, yarn and fabric samples. More than 65420 samples of fibre, yarn and fabric being tested for

their physical and chemical properties. A total of 351 calibration certificates, in addition to 28 performance certificates, for testing quality control instruments were issued during the year for the 120 mills. 859 samples covering various accessories like spinning rings, spindles, ring travelers and carton boxes were tested.

A total of 21500 samples comprising of yarn and fabrics was tested and 895 persons were trained in the area of loom maintenance, operation of shuttleless looms, calculation of fabric production, etc. The Powerloom Service Centre had also attended to about 523 consultancy assignments and created around 682 designs.

During the year, SITRA conducted training programme on 'Cost control in spinning mills'. Around 660 personnel in the supervisory and managerial cadres were trained during the year under 11 different programmes. 11500 operatives had also undergone training during the year on work methods for effective performance.

SITRA brought out 17 publications, which included 9 research reports, 6 focus, 1 monogram and 1 Trends. SITRA scientists also contributed 23 research papers to technical journals.

Membership of SITRA showed a marginal drop due to adverse condition which prevailed during the year. It stood at 248 comprising of 292 units.

SITRA conducted 32nd productivity survey in spinning mills for which data from 120 spinning mills was used.

SITRA in collaboration with The Southern India Mills' Association (SIMA), Coimbatore Development Council for Growth and Export Promotion of Technical Textiles and O/o Textile Commissioner, Mumbai conducted a two day seminar during 4-5 July 2008. Three areas of technical textiles

viz., protech, meditech and agrotech were given emphasis.

A programme focusing on interpretation of the information provided by the present generation machinery/equipment and taking appropriate decisions toward process and quality control, was held during 1-2 August 2008.

A Memorandum of Understanding was signed between, SITRA and National Research Development Corporation, New Delhi for licensing and commercial exploitation of specified inventory, processes and knowhow, whether patentable or not, developed by SITRA and its associate laboratories.

One hundred and fourteen books have been added in the SITRA library. It has also received 215 journals on varied aspects of textiles.

During the year, SITRA participated in 'INDIA-ITME 2008' conducted by India-ITME Society held at Bangalore International Exhibition Centre (BIEC), Bangalore during November 2008.

NORTHERN INDIA TEXTILE RESEARCH ASSOCIATION (NITRA)

During the year, NITRA worked on eleven research projects. Out of which three have been successfully completed whilst work is in progress for rest of the eight projects. NITRA provided assistance to the industry in the form of quality and cost effective technical consultancy for resolving their operational problems. Basic areas of expertise where NITRA offered consultancy solutions were audit, feasibility study, system certification, infrastructure set up, valuation, inspection and product/process & design development. Technical consultancy was another important aspect of NITRA's multifarious activities.

NITRA offered a wide range of testing

facilities for fibre, yarn, fabrics, dyes, chemicals and effluent in its well equipped NABL accredited five laboratories. The details of the activities carried out during the year are given at table 13.3.

NITRA undertook the following training for overseas participant:-

1. Training program for Almeida Textiles, Ethiopia on Apparel Production Management (Batch-I) from 20.8.2008 to 30.09.2008.
2. Training program for Almeida Textiles,

Ethopia (Batch-II) from 20.8.2008 to 30.09.2008.

3. Training program for Engineers from Textile & Apparel Institute (TAI) at Addis Ababa, Ethiopia in October 2008.
4. Training program for Almeida Textiles, Ethiopia (Batch-III) from 13.10.2008 to 8.11.2008.

NITRA conducted the Job-oriented Professional Programs during 2008-09 as at table 13.4.

Table 13.3

S. No.	Name of Laboratory	No. of samples analyzed
1.	Environmental laboratory	105
2.	Eco laboratory	92
3.	Chemical Quality Evaluation laboratory	1680
4.	Polymer & Technical Textiles laboratory	825
5.	Physical Quality Evaluation laboratory	3625

Table 13.4

S. No.	Programme Title	No. of Trainees
1.	Textile Technology & Management (TTM)	29
2.	Garment Technology & Management (GTM)	40
3.	Apparel Design & Quality Control (ADQC)	30
4.	Textile Design & Quality Control (TDQC)	16
5.	Apparel Merchandising & Export-Import Management (AMEIM)	20
6.	Garment Dyeing, Drycleaning & Finishing Technology (GDDFT)	16
7.	Apparel Machine Engineering & Maintenance (AMEM)	15
8.	Sewing Machine Operation (SMO)	25
9.	Textile Technology & Management (TTM-DLP)	25
10.	Garment Technology & Management (GTM-DLP)	37
11.	Apparel Merchandising & Export-Import Management (AMEIM-DLP)	17
12.	Quality Evaluation of Textiles & Garments (QETG)	09
13.	Industrial Environment Technology & Management (IETM)	06
14.	Textile Technology & Management(TTM-DLP)	25

NITRA introduced an optional programme Industrial Environment Technology & Management (IETM) for candidates who were admitted in TTM, GTM or TDQC regular programmes.

NITRA launched the following two programme during the year:-

1. Textile Technology & Management (TTM-DLP)
2. DOEACC "O" Level Computer Program (Part Time)

NITRA participated in Garment Technology Expo - 09 (14-17 January 2009) at New Delhi in order to create awareness about NITRA's R&D activities, technical consultancy, quality evaluation, manpower training services, and technical publications for the textile and apparel industry.

During the year, NITRA added 57 books and 32 complementary books in its library. NITRA subscribed 21 foreign periodicals and 38 Indian periodicals in addition to 41 complementary Indian periodicals. The library generated revenue of Rs. 2.81 lakh by sale of NITRA publications. The library remained open on 2nd and 4th Sundays to provide extended services to its members and the students of DLP Courses.

Out of 44 Power Loom Service Centres (PLSCs) established by Ministry of Textiles, the following 7 PLSCs were under the administrative control of NITRA:-

1. In Uttar Pradesh
 - i. Meerut
 - ii. Kanpur
 - iii. Tanda
 - iv. Gorakhpur
2. In Haryana - Panipat
3. In Punjab - Ludhiana
4. In Rajasthan - Bhilwara

All seven centres were having testing

facilities capable to meet basic requirements of the decentralized power loom sector in normal course. There are three Computer Aided Design (CAD) centres at Panipat, Bhilwara and Ghaziabad. In addition to the above, one more CAD centre was functioning at PLSC, Tanda with financial support of Government of Uttar Pradesh. PLSCs were also involved in insuring power loom workers under Group Insurance Scheme (previously known as Janshree Bima Yojana) towards their social security. During the year 2008-09 a total of 6805 powerloom workers were insured through PLSCs.

MAN-MADE TEXTILES RESEARCH ASSOCIATION (MANTRA), SURAT

The Man-Made Textiles Research Association (MANTRA), Surat is the only Textiles Research Association serving the man-made textiles industry (decentralized small scale) and is registered under the Societies Act of Gujarat. MANTRA has been in the fore-front 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 textiles weaving, texturing and processing industry on various aspects of the textiles 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 textiles industry.

During the period 2009-10, MANTRA was engaged in carrying out R&D work on the following sponsored projects:-

- (i) Development of a commercial quality greenhouse shade cloth for low cost

poly-house for controlled crop production (Sanctioned in 2008);

- (ii) Application of suitable cost effective technology for reuse of water jet effluent (Sanctioned in 2008);
- (iii) Smart fabric/garment products with smart colours for security labelling.

During the current financial year 2009-10, the following new projects were also sanctioned by the Ministry of Textiles, Government of India.

- (i) Polyactic Acid Fibres in technical textiles applications for packaging and disposable food container products;
- (ii) Development of cost effective filter fabrics suitable for bag filters;
- (iii) Development of enzymatic technique for weight reduction of polyester;
- (iv) Development of fabrics made from PTT yarn and to optimize processing parameters to use in apparel sector including cost effectiveness;
- (v) Development of eco-friendly recyclable/bio-degradable value added technical textiles from banana yarns;
- (vi) Development of multi-layer fabrics for sportswear.
- (vii) Application of nano technology for delustering of bright polyester fabric varieties.

During the Financial Year 2009-10, 34 samples from industry were tested in Eco Laboratory till 30.11.09. MANTRA continued to perform as Environmental Auditor for Schedule-I industries and conducted Environmental Audit of 20 units and generated income to the extent of Rs.19.00 lakhs. In the Analytical Instruments laboratory, which has a number of sophisticated instruments, 72

samples were tested till 30.11.09, majority of which included colour assessment parameters on Computer Colour Matching (CCM), Thermal analyzer and Hydrostatic head tester. Total number of samples tested in the Physical & Chemical Laboratory of MANTRA during F.Y.2009-10 were 3,452 (excluding audits). MANTRA is enlisted consultant by Gujarat Energy Development Agency (GEDA). It is authorized as Energy Auditor by Chief Electrical Inspector, Gujarat to conduct mandatory energy audit of all industrial units having contract demand more than 200 KVA. During F.Y.2009-10, MANTRA conducted Energy Audit of 20 mandatory units till 30.11.09.

MANTRA's dissemination of information activities are quite useful to the industry. It participated in Vyapar 2009 exhibition conducted by South Gujarat Chamber of Commerce and Industry at Surat and also took part in 'Vibrant Gujarat Mega Exhibition 2009' organized by Government of Gujarat at Science City, Ahmedabad, MANTRA and Confederation of Indian Industries New Delhi (CII) jointly organised 'Tech-Tex India 1: Opportunities in Indian Technical Textiles, Potential & Challenges for the field of Agrotech and Geotech', a conference on technical textiles at Hotel Taj Gateway, Surat. About 195 delegates participated. MANTRA organised a seminar on 'PTT fibres' in collaboration with DuPont on 14.12.09. It also organized 'Water Conservation Awareness Programme' for dyeing machine operators in three process houses. In each programme, about 300 workers participated.

Pilot plant facilities for the production of continuous synthetic filament yarn, available at MANTRA, is unique. Its existing extrusion, draw texturing and air jet texturing facilities are being availed not only by the nearby industry, but also by the industries as far as from Bangalore, Chennai, etc.

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 textiles as well as technical textiles industry in India in general and South Gujarat in particular.

THE SYNTHETIC AND ART SILK MILL'S RESEARCH ASSOCIATION

The Synthetic & Art Silk Mills' Research Association (SASMIRA) is a co-operative venture set up by the man-made textiles 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 textiles industry, thereby assisting its growth and development.

CENTRE OF EXCELLENCE (COE)

SASMIRA has been designated as a Centre of Excellence (COE) for Agrotexiles. The centre is being set - up in alliance with Man-Made Textiles Research Association (MANTRA), Surat, Navsari Agriculture University (NAU), Navsari as associate partners and Department of Textiles Technology, Indian Institute of Technology (IIT), Delhi as knowledge partner. The vision and mission is being accomplished through the creation of new facilities and infrastructure, viz., state-of-the-art testing laboratory, Testing and Demonstration

pilot plant facility for Agrotexiles, Accreditation of Testing and evaluation facility for Agrotexiles from International bodies, Information centre for Agrotexiles and Training Centre for Agrotexiles. Besides equipments, latest Test Standards from different bodies like IS, BS, EN, ISO, JS have been procured, along with books and periodicals related to technical textiles. The process for setting up the Information Centre has been initiated for SASMIRA (lead partner) along with satellite links with MANTRA and NAU. Demonstration plants are being worked out.

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 textiles 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.

EDUCATIONAL ACTIVITIES

SASMIRA's education programme conducts regular Diploma and Certificate courses in many disciplines, e.g. Apparel Merchandising, Man-made Textiles Technology, Textiles Chemistry, Knitting Technology, Fashion and Apparel Design Technology, weaving, wet-processing, Merchandizing & Retail Management. In addition to the regular courses on textiles 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

SASMIRA has been continuously serving the textiles industry and entrepreneurs to create awareness in technical textiles by way of conducting seminars and workshops at the national and international levels. The seminars conducted during the 2009-10 are as follows:

- SASMIRA participated in the Fibres and Yarns 2008 exhibition held in World Trade Centre during 24th to 26th April 2008.
- SASMIRA organised a One-Day Seminar on Agrotextiles - Emerging opportunities, jointly by Office of Textiles Commissioner, Ministry of Textiles, Govt. of India in association with FICCI-WRC on 1st October 2008 at Hotel Intercontinental- The Grand, Mumbai. This seminar was the first in the series of the awareness programme being planned under COE Agrotextiles.
- "A Seminar on Protective Agrotextiles: Advantages & Future Prospects" was jointly organised by the Office of the Textiles Commissioner and SASMIRA in association with Department of Agriculture, Govt. of Maharashtra, National Horticulture Board & Krishi Arogya and Vigyan Sanstha at Vanamati Hall, Nagpur on 6th February 2009. This seminar was aimed as creating awareness amongst the farmer level. This was also a seminar in the series of awareness programme held under COE Agrotextiles.

RESEARCH & DEVELOPMENT

SASMIRA is engaged in various research and development projects in man-made textiles for apparel, industrial and defence applications to meet the changing needs of the man-made textiles industry. Currently, SASMIRA is engaged in the

implementation of six projects sponsored by the Ministry of Textiles.

- (i) Development of Durable, Breathable and Barrier Work wear Fabrics for Agrotextile Applications;
- (ii) Development of Speciality Fabric for Water conservation and Soil Erosion Control used in Horticulture Application;
- (iii) Indigenous Development of Ultrasonic Device(S) for Maintenance of Weaving Accessories;
- (iv) Manufacturing of woven geotextiles for ground improvement using vertical drain technique;
- (v) Low cost Upgradation of first generation imported shuttless looms and indigenous shuttles looms for decentralised sector;
- (vi) Developing fabrics with thermoregulatory properties using phase change materials (PCM) for speciality application.

WOOL RESEARCH ASSOCIATION, THANE

The Wool Research Association (WRA), 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.
- (5) Computer Aided Designing & manufacturing of knitwears.
- (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.

Synthesis of wool dyes with moth proofing properties involves three step preparation and is being carried out by the following

scheme of work.

- i. Synthesis of toxic component of dye under preparation.
- ii. Synthesis of colouring component of the dye under preparation.
- iii. Coupling of the above two to yield dye.

The various reactive potential insecticides pertaining to pyrethroid and organochlorine skeleton have been synthesized. They have been reduced to amino form for making them suitable for coupling with the colouring component is under progress. Compounds based on eyanuric acid derivatives have been under preparation.

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).

The results of application of biotechnological solutions to wool processing is being experimented on the finer variety of wool being produced in the country, and to improve the end use suitability, both in apparel and non-apparel sector.

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.

It is a common experience that even the finest wool like merino, pashmina, cashmere, etc suffer from inadequacies of creating uncomfortable itching to the wearer when worn next to skin. This decades old problem has not been solved inspite of great advancement in wool technology. The problem can be tackled either genetically or by mechanical

processing, chemical treatment and surface modification with plasma treatment. Earlier work on the Angora wool carried out by NID showed that keratin fibre surface could be modified by plasma treatment leading to etching at micro level morphologically to enhance their spinnability. Similarly, wool fibres like merino variety can be modified by blunting the scales of the fibres and grafting / polymer deposition treatments by using Plasma Technology. The mechanical processing and chemical processing like siliconisation also reduce the frictional coefficient of the scaly fibres, reduce the protruding hairiness leading to the itching sensation of the human body when worn next to the skin. It is pertinent to observe that the itching sensation is generally caused by collective frictional behaviour of the scales in wool fibres and the pricking of the micro-tips of the surface hairiness of the protruding fibres in the yarn/fabric surface.

Project IV : Ultra sound assisted scouring and smooth finishing of wool & other speciality animal fibres and their products.

Ultrasound waves with frequencies above 16 - 20 KHz is known to accelerate chemical processes. Raw wool scouring in combing mills with detergent produces 75% of the total BOD load of the effluent of a mill containing grease and other impurities. A method of scouring with very little or no detergent but inorganic catalysts in aqueous system is expected to remove all impurities. Similarly a modified aqueous bath treatment can be oriented towards finishing of products of wool and other fibres for scale modification, shrink proofing and smoothness.

Project V : Design and Development of Interior Textiles with special emphasis on heat resistance and flame retardancy

The proposed project is aimed to design

and develop heat resistant and flame retardant interior textiles specially for industries which utilize and need these kind of technical textiles with special emphasis on automobiles. Interior textiles can be categorized as upholsteries like curtains, fire curtains and furnishing such as for seat covers, hood liners and for brake-liners. Through this project, it is proposed to design and develop upholsteries and furnishings with a major composition of wool (Indian /merino) and with a varied composition of special fibres like Trevira, Kynol, Basofil, F.R.Viscose. For the development of heat resistant fabrics it is proposed to go for non-asbestos fibres such as glass, ceramic, graphite/carbon in blends with polyester, nylon, viscose and to develop non-asbestos brake-liners. It is proposed to utilize metal yarns, like copper, brass, and aluminum in combination with fibres like glass, polyester, nylon, cotton and wool. The yarns for developing fabrics for above mentioned applications will range from 0.5 Nm to 60 Nm and the yarns will be both homogenous, heterogeneous and will be developed using cotton/worsted/friction spinning technologies.

Project VI : To develop ecological friendly moth repellent and moth roofing agent for woollen textiles for easy care.

Considering the fact that Indian industry, both decentralised and organised, needs more suitable product for protecting wool in storage, transportation and while in use, needs a technically improved version and an import substitution, this R&D work was considered in the national interest.

While there have been good amount of synthesis work carried out in the field of organo-chlorine, organo phosphorous and carbamate insecticides, the use of these compounds for insect proofing of wool was not promising because of their low exhaustion, retention properties and the

deleterious effects, these compounds had on human health in terms of dermal toxicity and also because of their harmful effects on the effluent treatment and disposal procedures. The permethrin formulations based on racemic mixtures were effective and have been practised in the industry today more effective insecticides from the synthetic chemistry would be interesting to counter the problems faced with the biodegradability and environmental pollution. In the present project it is planned to work on the synthesis of non chlorine based insecticides containing organic toxic groups which are less harmful to mammals and more environment friendly.

2. Projects completed:

Project I : Optimise processing parameters for Eri silk / wool yarns on worsted system to develop value added products.

Degummed eri silk cocoon was processed (carding to final yarn on worsted and other systems. After analysis the results of the yarn parameters, bulk trials were conducted for yarn preparation. The products like tweeds, shawls, knitweaves, lohies and suitings were developed at WRA with promising results.

Project II : Develop suitable machinery for spinning of Eri silk and its blends for cottage industry

After studying the results of initial and bulk trials, miniature computer controlled flexible spinning system was developed. The trials were conducted using various blends of wool silk on this machine to get the final product.

The various products have been assessed for performance with promising results.

Project III : R & D on value addition to Deccani wool

WRA has done the R& D component

work relating to making blends from Decanni wool, after making a survey of different types of wool being grown in the state of Karnataka with non-component fibres like PET, Nylon etc. so that products of better quality with value addition can be made. After making necessary trials at WRA, we have come to a conclusion that design and fabrication of a 6 spindle Ring Spinning Frame with 4 over 4 drafting system would help to spin the blended fibres in the form of sliver to at least 6 - 8 Nm (count). This is to take up the quality of Decanni wool from Kambal yarn to Lohi and shawl type fabrics and furnishing. The designs and drawings are ready with WRA and most likely to be submitted to CWDB shortly for financial support to go ahead in the matter alongwith the implementation of mechanical processing facility at KSWDC for Decanni wool.

WRA is a Consulting member on the Project Committee of CWDB to examine proposals and recommend for establishment of common facility centre in major wool growing/processing clusters in different States of the country. Under the said scheme, the proposals given at table 13.5 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.

3. 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 certificate level courses as

Table 13.5

Sr. No.	Name of the Participating Entrepreneurs	Activity
1.	Shikhar HL & HC Weavers Welfare Reduction-cum-Sale Co-Operative Society Ltd., Brow, P.O. - Rampur Bushar, Distt.Kullu	To establish Common Facility Centres (CFC) for Woollen Yarn Spinning and Handloom Processing unit (45 kg./shift)
2.	H.P. State Co-operative Wool & Marketing Federation Ltd., Shimla	Loose Wool Carbonizing (1,000 kg./day)
3.	Maha Dev Woollen Mills, VPO Mahadev, Distt. Mandi	Processing of scoured wool into wool tops and spinning yarn (Combing 140 kg/day spinning - 2,500/month)
4.	The Monika Handloom Workshop Co-Operative Ind. Society Ltd., Ludhiana	Wool Processing & Yarn spinning unit (100 kg./day)
5.	Bhawani Wool Tex Pvt. Ltd. Bikaner	Wool processing and production of carpet wool yarn (25,000 kg/month)
6.	Bikaner Vishudh Khadi Gramodyog Sansthan, Bikaner	Wool Scouring plant & yarn Dyeing unit (Scouring-6,000 kg. Dyeing-350 kg)
7.	Mahila Mandal Barmer Agora, Indira Colony, Barmer	Wool scouring, combing & spinning unit for processing of wool into wool tops and spinning of yarn. (1,000 kg./day)

follows :

1. Computer Aided Textile Designing (Part time/Full Time).
2. Ecological & Instrumental Chemical Analysis (Part time/Full Time).
3. Textile Testing & Quality Control (Part time/Full Time).

The infrastructure for the educational activities like classrooms, furniture, presentation aids, availability of experts and guest lecturers were developed and nearly 20 students were benefited under the above said courses.

WRA Institute is also recognised by Maharashtra State Board of Technical Education to conduct P.G. Diploma Course (1 year) in Wool Textile Technology & Ecological & Instrumental Chemical Analysis.

The laboratories of WRA are also recognised by University of Mumbai for Research Studies leading to M.Sc & Ph.D degree.

4. ACHIEVEMENTS/ACCREDITATION

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.

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 (IJMA). The Ministry of Textiles supports IJIRA through provision of grants and projects.

OBJECTIVES

- (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.

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 has its Head quarters at Mumbai with 30 Regional Offices, 17 of

them with laboratories, including 9 having eco testing facilities. The Committee is a multi-member body, constituted by the Government of India, under Section 3 of the Act. It comprises a Chairman from the textiles industry, a Vice-chairman (the Textiles Commissioner, Ex-officio), Member Secretary appointed by the Central Government under Section 9 of the Act and 26 other members from different sectors.

PERFORMANCE DURING 2009-10

Textiles Testing Services: 17 laboratories of Textiles Committee spread across major textiles clusters of India. They serve textiles trade and industry by way of textiles testing, technical services and troubleshooting. These laboratories test textile samples from trade and industries, government agencies and regulatory bodies like Indian Customs. They registered revenue of Rs.601.24 lakh till November 2009. The anticipated revenue during December 1, 2009 to March 31st 2010 is 311 lakh.

Training to Industry Personnel: The number of training programmes conducted by the Textile Committee during April 2009 to November 2009 is as at table 13.6.

Accreditation of Laboratories: 14 of the Textiles Committee's laboratories are accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) as per the requirement of ISO IEC 17025 standard. These laboratories are also aspiring to get accreditation for conducting Inter Laboratory Proficiency Testing (ILPT) Programmes. One of the major testing activities include is the testing of banned dyes (amines). The laboratories of Textiles Committee are working in the direction of including the testing of banned chemicals (amines) into the scope of accreditation during the next audit.

Table 13.6

Sr. No.	Type of Training	Number of units	Number of personnel trained
1.	Awareness on ISO 9000	10	155
2.	Statistical Process Control	06	68
3.	Internal Quality Audit	08	116
4.	Training on ISO 14000	03	50
5.	Awareness & other related programmes on SA-8000	05	57
6.	Awareness & other related programmes on OHSAS	02	37
	TOTAL	34	483

TQM Services: As industry friendly organization, Textiles Committee reoriented its role from that of regulatory to developmental and initiated rendering consultancy on **ISO-9000 quality management systems, ISO-14000 Environmental Management systems, SA-8000 (Social Accountability Management Systems), OHSAS 18000 (Occupational Health and Safety Assessment Series)** to the aspiring textile units on chargeable basis. During the year 2009-10, a total of **14 units** came forward to avail the consultancy services under ISO 9000 / ISO 14000 / SA 8000 / OHSAS 18000. The total number of units under consultancy has **gone upto 457 units** so far. The Textiles Committee is the only organization in the country to render consultancy services to so many textiles units.

Post Certification Activities: In order to demonstrate the continued relevance of

Textiles Committee in the development of Small & Medium Entrepreneurs (SMEs), the Committee has introduced the post certification activities. During the year under report as on 30/11/2009, 19 companies have availed post certification support services from the Textiles Committee. For this service, a sum of Rs.3, 84,208/- has been collected as fee.

Handloom Mark: The Handloom Mark Scheme was launched on 28.06.2006. Textiles Committee has been appointed as implementing agency (IA) by the Office of the Development Commissioner (Handlooms), New Delhi. The performance report in the Handloom Mark Scheme as on 30/11/2009 is given at table 13.7.

Popularization of the Mark through Domestic and International Publicity: The success of the Handloom Mark Scheme depends upon the action taken towards its popularization. This has been

Table 13.7

Sr. No.	Name of the activities	Achievements (April 2009 to November 2009)	Anticipated figures up to 31.03.2010
1.	No. of Registration allotted	961	1200
2.	No. of label sold	23,58,465	35,00,000

achieved not only through the sensitization seminars but also through other publicity measures. The publicity measures are broadly classified into two categories such as ATL (Above the Line) activities and BTL (Below the Lines) activities. The ATL activities consist of publishing through Print and Electronic Media tools whereas the BTL activities consist of participating in Exhibitions, Fairs, Seminars, etc. The budget provisions for advertisements through Magazines is Rs. 4.50 crores and Rs. 1.70 crores for Electronics Media, which are part of the ATL activities. Further, the Office of Development Commissioner for Handlooms has allocated Rs. 50.00 lacs for advertisement in Newspapers through DAVP during the current year. As a part of the BTL activities, Textiles Committee has participated in National and International Exhibitions & Trade Fairs for publicity of Handloom Mark. During the year, the Committee participated in 1 (one) Domestic and 2 (two) International Exhibitions.

Cluster Level Seminars are conducted in order to create awareness of Handloom Mark Scheme amongst the users such as Individual Weavers, Master Weavers, Primary Cooperative Societies, Apex Societies, Retailers/Traders, Manufacturer Exporters, etc. There is a budget provision of Rs. 23.0 lacs for Cluster Level Seminars in the current year. Textiles Committee has already started the necessary action towards conducting these seminars in all parts of the country.

The Cluster Development Cell

The Cell is implementing Cluster Development Programme for the Capacity Building of Textiles SMEs in the identified clusters since the year 2002. Three handloom clusters had been assigned by the Office of the Development Commissioner (Handlooms), New Delhi for implementation of the Programme under the Integrated Handloom Cluster

Development Scheme (IHCD) in the year 2005 - 06. Based on the diagnostic study, action plans for the year 2008 - 09 and 2009 - 10 have been devised and approved by the Apex Committee, IHCD. The brief details of the clusters and the highlights of achievements are as under:-

BIJNORE (Uttar Pradesh)

- 4 consortiums have been formed covering 33 master weavers and 1316 weavers.
- SPV named 'Bijnore Handloom Weavers Services Public Limited' has been registered as a public limited company for managing the CFC and Dye House Shares of Rs.10 each worth Rs 25 lakhs floated in the market.
- 10 Quality up-gradation training conducted for 218 weavers.
- Dobby designs development training- 55 weavers. Export procedure training - 45 master weavers.
- 65 weavers were benefited under the training on Dyeing.
- Total sales generated - Rs 171.63 lakhs, which includes Exhibition -& BSM - Rs 55.44 lakhs and orders Rs.91.54 Lakhs through different buyers and Rs 24.65 lakhs through handloom house.
- Sales & order generated through: Handloom House : 24.65, CCIC : NIL, Other Agencies/Buyers: 86.54, Exhibition & BSM: 44.59 lakhs
- 25% production increased due to Five Wheel take-up motion establishments. Order placed for 20 set of take-up motion.
- 82 designs (12 co-ordinate set developed), New Products developed - 200. Order generated worth Rs.143.57 lakhs.

- Yarn worth Rs 45 lakhs supplied - 9 cycles completed - 1000 weavers were benefited.
- Establishment of Common Facility Centre and Dye House at village Sahaspur is in progress.

TRICHY (Tamil Nadu)

- 140 weavers trained in Pure Silk Weaving, 15 weavers changed variety. Earn up to Rs. 5000 per month from Rs. 2000 per month.
- 30 weavers trained in Design developments.
- 130 SHG women trained in power machine sewing, 140 SHG women trained in Hand embroidery.
- 24 Master weavers / textile manufacturer trained in Export procedures.
- 10 dyers trained in Dyeing Workshop & improved quality of dyeing and use of natural dyes.
- 2 dyers undergone 5 days practical training in Natural dyeing.
- 14 SHGs covering 200 weavers formed. 1 Consortium formed with E-commerce facilities covering 1010 members. Name - Manmedu Handloom Tex Consortium.
- warps / sizes: improved the length of warp by about 20%.
- 4 Bankers Meetings organized. 2 SHGs have got credit of Rs.1.2 Lakhs.
- Sales Generated Rs. 34.00 lakh. Through Handloom House - Rs. 1.50 lakh, CCIC - NIL, Exhibition & BSM- Rs. 4.09 Lakh & others 28.50 lakh.
- Total 83 designs developed by present designer and Sales

generated Rs.1.15 lakh. 50 products developed. 90 designs developed & displayed in 6 International Fairs. Total 233 designs developed.

- Yarn Bank: Rs.148.00 lakh supplied to 2000 weaver. 30 cycles completed.
- Common Facility Centre (CFC) work is under process.

SHANTIPUR (Nadia, West Bengal)

- 14 consortiums formed for welfare of weavers & better co-ordination covering 107 members.
- 158 SHGs formed & capacity building programme for all. Total 1896 weavers covered.
- 300 weavers have got credit of Rs.11.11 Lakhs.
- 6 exposure visits done to Alleppey, Kannur, Kaladi, Pochampally, Bargarh & Nuapatna for 55 weavers.
- Two consortiums linked with the banks through Mutual Credit Guarantee Fund Scheme.
- Seven designers training programmes were conducted. 70 local designers are trained through International designers.
- 6 dyeing programmes were conducted, 65 local Dyers in 3 batches were trained in the Vat & reactive dyeing techniques & Vegetable dyes.
- Shantipur Handloom Weavers consortium covered 40 weavers under MGBBY Scheme for life insurance cover.
- A training on colour forecast conducted with the help of International Designer, Mrs Hetty Oom. Total 30 stakeholders were benefited.

- Visual Merchandising training with the help of 5 International Designers, PUM held. Total 30 stakeholders of cluster anticipated.
- persons were trained in Export procedure training.
- Total 73 designs developed. Sales generated by designer Rs.0.00. 86 Prototypes & 5 motives are developed.
- Another 415 stakeholders were trained in MDP, EDP, Bar coding, Packaging, Visual merchandising, Fabric defects & QA, colour forecast, basic computer & English training programme, GI & Handloom Mark
- Total Sales & Orders generated Rs 167.50 lakhs. Through Exhibition & BSM- Rs. 124.20 lakhs, Handloom House - 17.50 lakhs, CCIC - 0.30 Lakh, Other buyers - 25.50 lakh.
- Yarn Bank: Four Yarn Banks have been established. Rs. 15.00 yarn supplied to 275 weavers. 3 cycles completed.
- CFC and Dye house is under progress.

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 2009-10 are given at table 13.8.

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 functions, economic and market related research

studies are carried out covering the entire gamut of the textiles 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 research projects/studies activities of market research during the period 1st April 2009 to 31st March 2010 are as under:

- (i) **Market for Textile Clothing - A National Household Survey:** The report, "Market for Textiles and Clothing" for the year 2009 based on the National Household Survey has been prepared. The report presents information on the textile purchases made by the households in the country during January 2008 to December 2008. The data processing for the 2009 data has been initiated.
- (ii) **Census of Textile Engineering Industry Units:** Final report and directory of units on the basis of 1446 textile machinery units in India has been prepared.
- (iii) **Market potential study for Chikan Craft at South Africa:** The report on market potential studies for Chikan crafts at South Africa is in the final lap of completion.
- (iv) **G.I. Facilitation with State Government Sponsorship:** G.I. study of following textile products are in progress.
 - a) Kerala - Balarampuram fine cotton sarees and fabrics, Kasargod sarees, Kuthampally sarees and Chenamangalam handloom product,
 - b) Uttar Pradesh: Agra Durry,

Table 13.8

(in Rs. Lakh)

Sr. No.	Head of Accounts	2009-2010 (upto October, 2009)
A	SERVICE CHARGES	
	1 Certification to Exporters	185.41
	2 Laboratory Testing	527.87
	3 Total Quality Management	14.28
	4 Market Research Studies/surveys	15.00
	5 Sale of publications	15.29
	6 Human resource Development (Training)	0.65
	7 Quality Inspection	16.59
	8 Sale of forms	44.34
	Total (A)	819.43
B	OTHER RECEIPTS	
	1 Interest on short term deposit with SBI	202.97
	2 Recoverable Advances & deposits including interest	11.66
	3 Misc. Receipts (Includes settlement of Insurance claim & sale proceeds of capital assets)	43.76
	4 Rent on Auditorium & Board Room of the Committee's Bldg. at Mumbai	3.82
	5 Handloom Marks Scheme	18.08
	6 Rating fees of Ginning & Pressing Factories	9.03
	Total (B)	289.32
	Total (A+B)	1108.75

Lucknow Jhardosi, Maunath Bhanjan sarees, Farrukhabad cotton prints

- c) Karnataka: Udupi sarees, Gollelguda fabrics

Studies on Impact of Tariffs and non tariffs Measures (NTM's) on exports competitiveness: The NTMs studies on the basis of response from exporters based at Bangalore, Chennai, Coimbatore, Ludhiana New Delhi, Tirupur and Mumbai are in the final lap of completion.

Under the UNCTAD sponsored project "Strategies and Preparedness for Trade and Globalisation in Textile and Clothing Sector", the activities taken up are:

- a) MoU signed with 146 Tier-II partners including state governments.
- b) 3500 stakeholders included in the virtual sector network (VSN) and Research on Globalisation and WTO.
- c) Resource centre has been augmented by adding several studies,

documentation reports, periodicals and books.

- d) 7 inception, 26 sectoral, 2 regional and 1 trade linkage workshops organised across the country.
- e) A total of 14500 stakeholders have been benefited.
- f) A total of 14 unique textiles and clothing products have been identified for IPR protection through GIs. Study and documentation, consultative committee is in progress. The GI registered certificates received for Lucknow Chikan Craft, Pipli Appliqué Upda Jamdhani, Banaras Sarees and Brocades.

Quality Appraisal & Export Certification

Services: Apart from carrying out quality inspection of Textile Yarn, Fabrics, Made-Ups and Ready-Made Garments, the Wing also issues the following special certificates to the exporters as required under various bilateral agreements / schemes.

- a) **Certificate of Origin under Generalised System of Preferences (GSP):** Under the scheme of Generalised System of Preferences (GSP), the Committee issues 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.
- b) **Certificate of Origin (Non-Preferential):** From July 2005, the Textiles Committee is also authorized to issue Certificate of Origin (Non-Preferential) to enable the exporters to establish the country of origin of the material exported.
- c) **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.

- d) **Tariff Rate Quota Certificate (TRQC):** Endorsement on TRQC is done for monitoring import quota for specific textiles items under 3 FTAS as below:

- i) For ready made garments from Sri Lanka under ISFTA
- ii) For apparels from Bangladesh under SAFTA
- iii) For acrylic yarn from Nepal under Indo-Nepal Trade Treaty.

The quantum of work carried out by this Wing during 2009-2010 up to November 2009 and anticipated figures from December 2009 to March 2010 are given at table 13.10.

Scheme on Grading of Ginning & Pressing Factories

To propagate the scheme among the Ginning Sector, 10 awareness programmes have been conducted from April 2009 to November 2009 at Adilabad, Hyderabad, Ludhiana, Jaipur, Solapur, Jalgaon, Guntur, Panipat, Aurangabad and Madurai. As a result 288 applications have been received so far for assessment. 47 units have been assessed till November 2009 and remaining units will be completed by March 2010. To provide brand image and marketing support to the graded units, logo is being developed by National Institute of Design (NID), Ahmedabad.

Table 13.10

S. No.	Particulars	2009-2010 (Apr-Nov.09)	2009-2010 (Dec.09- Mar 10)
1.	No. of lots Inspected for Quality	552	280
2.	No. of GSP Certificates issued	254340	127200
3.	No. of Certificates of Origin (Non-Preferential) issued	68281	34140
4.	No. of lots examined under limited inspection for loom origin for issue of Handloom certificates	600	300
5.	No. of handloom and other special certificates issued	755	380
6.	No. of samples classified for HS code, description, etc.	2067	1030
7.	No. of new exporters registered	750	370
8.	No. of registrations renewed	2617	1310
9.	Sale of Blank GSP Forms	187536	93770
10.	Sale of Blank Certificate of Origin (Non-Preferential) Forms	85727	42860
11.	Sale of Blank Certificates under Bilateral Agreement	796	400
12.	No of endorsement on TRQC for monitoring import quota of RMG under ISFTA	173	90
13.	Endorsement on TRQC for monitoring import quota of Acrylic yarn under Indo-Nepal Trade treaty (in Metric Ton)	4379	2190
14.	No. of endorsement on TRQC for apparel Articles from Bangladesh under SAFTA	116	60
15.	No. of units assessed for rating of Ginning & Pressing Factories.	47	240
16.	Total revenue generated from activities at S.N. 1 to 15 above. (Rs. in Lakhs)	567.92	284.00

CHAPTER XIV
CITIZEN CHARTER

CHAPTER XIV

CITIZEN CHARTER

The main objective of the exercise to issue the Citizen's Charter of an organisation is to improve the quality of public service. This is done by letting people know the mandate of the concerned Ministry/Deptt./Organisation, how one can get in touch with its officials, what to expect by way of services and how to seek a remedy, if something goes wrong. The Citizen's Charter does not by itself create new legal rights, but it surely helps in enforcing existing rights.

POLICIES AND PROGRAMMES

- Promote and facilitate the growth of the textile industry.
- Enable the Indian textile industry to compete with confidence for an increasing share of the global textile market.
- Ensure a harmonious balance between different segments and sectors of the industry, and different regions.

VALUES

- Remembering at all times that we are employed to be of service to the country and its citizens.
- Citing with integrity and judiciousness with transparency and accountability, with courtesy and understanding.
- Judiciously managing resources and doing so with the best use of modern technology and management practices.

COMMITMENT

- To maintain a constant dialogue with

industry while framing and reviewing policies and programmes of the sector.

- To uphold confidentiality of personal and business information disclosed to us.
- To constantly endeavour to keep our actions and decisions transparent and open.
- To work towards making our procedures and transactions as simple as possible.
- To set up sensitive and responsive machineries for redressing public grievances and for sharing information with the public on our plans and decisions.
- To share our national performance with you over the media and the Internet.
- To provide a system of monitoring that will ensure that responses expected or required from us are sent within the time specified, and all papers, applications or queries that are delayed are tracked till they are satisfactorily dealt with;
- To ensure prompt and sustained follow up action on decisions till the expected output is reached or to their logical conclusion.

ACTIVITIES

- To frame policies, plans and programmes in furtherance of our aims.
- To provide support, assistance, advice and facilitation to the industry

within the framework of these policies and programmes.

- To encourage Research and Development in the sector.
- To encourage and to create conditions that enable an expansion of the human resources skills required for technological advancement of the sector.
- To facilitate and promote exports of textiles and clothing.
- To ensure the welfare of the weavers and the artisan.
- To coordinate the activities of state governments, financial institutions, non-government organizations and all stakeholders for a concerted effort to achieve our aims.

REACH OUT

- To Farmers, weavers, artisans, workers, entrepreneurs, industrialists who are engaged in the production, processing, weaving, crafting and designing of textiles and clothing in the organized and unorganized sectors in urban and rural areas.

THROUGH

- Weavers' Service Centres
- The Development Commissioner for Handlooms
- Powerloom Service Centers
- Textile Commissioner's Office
- Jute Commissioner's Office
- Central Silk Board
- The Development Commissioner for Handicrafts

Each of our field organisations have their own Citizens' and Service Charters in which they commit to serve you and set down standards of performance by which you can assess the quality of the services and their dedication to perform it well.

STANDARDS OF PERFORMANCE

- Your intimations or applications shall continue to be received with on the spot written acknowledgements.
- We will endeavour to respond to all written inquiries within 15 working days.
- In case of a likely or inevitable delay in decision making, or when an issue is disputed, we will promptly communicate the reasons on our own initiative.
- We will keep our website upto date, and use it to share information on our activities, policies and programmes with you.

GUIDANCE & HELP

Our Information and Facilitation Counter (IFC) is situated near Gate No. 5, Udyog Bhavan, New Delhi. Publications of the Ministry and general information on its services are available at the counter.

WORKSHOP FOR SENIOR OFFICERS TO ATTAIN RESULT BASED PERFORMANCE MANAGEMENT

With a view to enhance efficiency in the working of the Ministry and ensure time bound implementation of all the programmes and policies, the Ministry of Textiles in coordination with Secretary (Performance Management), Cabinet Secretariat organized a Workshop on Result Based Performance Management for all the Senior Officers of the Ministry on 29th June, 2009. The workshop was attended by 42 officers including all Joint Secretaries and Directors from Ministry of Textiles and its PSUs. The work imparted the participants with tools and techniques for implementing various schemes and objectives with an outcome based workshop performance framework, enhanced the image of the Government by ensuring transparency in working and mapping of all achievements in order to ensure timely completion of all the identified activities of the Ministry.

CHAPTER XV

WELFARE OF SCHEDULED CASTES, SCHEDULED TRIBES AND WOMEN

CHAPTER XV

WELFARE OF SCHEDULED CASTES, SCHEDULED TRIBES AND WOMEN

HANDLOOMS

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. Of the total workforce of 65 lakh persons, women constitute 60.6% and SC constitute 9.91%, ST constitute 26.54% and 43.62% weavers belong to the OBC as per Handloom Census, 1995-96.

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 (i) Employment Generation, (ii) Modernization and upgradation of technology, (iii) Input support, (iv) marketing support, (v) Publicity & Exhibition, (vi) Infrastructural support, (vii) Welfare measures, (viii) Development of Exportable Products (ix) Research & Development.

HANDICRAFTS

Office of the Development Commissioner (Handicrafts) six generic schemes viz. Baba Saheb Ambedkar hastshilp Vikas Yojana; Design and Technology Upgradation Scheme; Marketing Support and Services Schemes; Export Promotion Schemes; Research & Development

Schemes & 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 developmental schemes, such as training, marketing related programmes, National Awards, exhibitions, etc.

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 downstream activities in sericulture. Under the Centrally sponsored Catalytic Development Programme (CDP), the Ministry through Central Silk Board had implemented a number of programmes in collaboration with State Governments during X Plan. Financial and Technical assistance was provided for on-farm and post-farm activities like reeling, dyeing, twisting, printing, finishing etc., Benefits accrued inter-alia, to SC/ST and women workers. 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.
- Supply of improved reeling cum twisting devices and spinning wheels to the NGOs, women groups, individual women reelers / spinners at 50% subsidy(CSB & State)
- Training programmes were organized to impart training to women reelers / spinners on the operation of improved devices; and
- Implementation of Cluster Development Projects by the integration of CDP schemes, wherein support is provided to Women Self Help Groups.

There are no separate programmes/ Schemes for SCs/STs under Sericulture implemented by the Ministry of Textiles.

However, It is estimated that about 30% of the SCs / STs are engaged in mulberry sericulture while 30-90% of SCs / STs are engaged in vanya sericulture. The Plan Programmes for the target groups are usually implemented by the States. The State Department of Sericulture have to identify the existing as well as new farmers and offer the components accordingly to their requirements from out of the basket of components. The packages under CDP cover three major areas viz., Seed Sector, Cocoon Sector and Post Cocoon Sector and will be supplemented by other components of support services.

During 2008-09, an amount of Rs.90.74 crores has been released / spent by CSB towards the implementation of CDP. For the current year 2009-10, Rs.75.57 crores has been approved for implementation of CDP, of which 20% is proposed for SC/ ST components. Action will be taken to earmark outlay under SCSP / TSP for 2010-11.

CHAPTER XVI
*TEXTILES IN NORTH
EASTERN REGION*

CHAPTER XVI

TEXTILES IN NORTH EASTERN REGION

HANDLOOM

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 Bijoyagar (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 2009-10, 37 clusters have been sanctioned to the States falling under the NER and a sum of Rs.5.63 crore was released. The details are given at table 16.1.

Under Group Approach, 73 projects were sanctioned to the States falling under the NER at a total cost of Rs.4.59 crore.

During 2009-10 (upto February, 2010), 8 Clusters have been sanctioned in the NER and a sum of Rs.2.66 crore has been released, which includes 2nd instalment for the clusters already sanctioned previously. 25 Group Approach Projects have also been sanctioned and a sum of Rs.3.36 crore has been released which also includes 2nd instalment. Physical and Financial progress: Scheme-wise in NER during 2008-09 is given at Table 16.2.

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 2009-10, an amount of Rs.47.90

Table 16.1
State-wise progress of Cluster under IHDS in NER

Name of the State	2008-09		2009-10 (upto 28-2-2010)	
	Clusters sanctioned (Phase-IV)	Amount released (Rs. lakhs)	Clusters sanctioned	Amount released (Rs. lakhs)
Arunachal Pradesh	4	69.73	—	—
Assam	5	75.95	—	—
Manipur	14	182.98	—	—
Meghalaya	1	18.00	2	34.14
Nagaland	9	162.00	5	90.00
Mizoram	—	—	1	15.65
Sikkim	—	—	—	—
Tripura	4	54.25	—	—
Total (NER)	37	562.91	8	139.75
Total (All India)	131	1970.29	37	595.00

Table 16.2
Financial & Physical Progress : Total & NER for 2009-10 (upto 28-02-2010)

Name of the Scheme	Total		of NER	
	Financial Achievements (Rs. crores)	Physical Achievements	Financial Achievements (Rs. crores)	Physical Achievements
1 Integrated Handloom Development Scheme	108.09	37 clusters	17.17	8 clusters
2 Handloom Weavers Comprehensive Welfare Scheme	102.10	8.76 lakh Enrolments	22.20	1.41 lakh Enrolments
a) Health Insurance Scheme		5.10 lakh Enrolments		0.97 lakh Enrolments
b) Mahatama Gandhi Bunkar Bima Yojana		3.66 lakh Enrolments		0.44 lakh Enrolments
3 Marketing & Exports	33.43	560 Events (410 DLEs)	7.22	168 Events (114 DLEs)
4 Mill Gate Price Scheme	29.22	919.17 lakh kgs Rs. 837.29 crores		2.58 lakh kgs Rs. 6.24 crores
5 Diversified Handloom Development Scheme	4.45	50.00 lakh Cards will be issued	—	25.00 lakh Cards will be issued
Total	277.29		46.59 (16.80% of total)	

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 XVII
GENDER JUSTICE

CHAPTER XVII

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.

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 downstream activities in sericulture. Under the Catalytic

Development Programme, the following programmes are being implemented by CSB 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 (CSB & State).
- Training programmes were organized to impart training to women reelers/spinners on the operation of improved devices; and
- Implementation of Cluster Development Projects by the integration of CDP schemes, wherein support is provided to Women Self Help Groups.

While the above programmes/schemes are continued during the XI Plan with certain modifications, two more specific schemes/components for women development namely, (i) Health Insurance for women workers and (ii) creating Toilets, Rest rooms and Crèches facilities for women in cocoon markets are being implemented at a total cost of Rs.3.125 crores, of which CSB share is Rs.2.33 crores. During the year 2009-10, 4 units of Toilets, Rest Rooms and Creche facilities in 4 cocoon markets of Tamilnadu at a total cost of Rs.10.00 lakhs had been completed. Further an amount of Rs. 15.00 lakh has been released during the year 2009-10 for creating 8 such units in 8 cocoon markets of Karnataka. Under the Health Insurance scheme for

women, till October, 2009, 47,620 policies were covered in 10 States with the CSB's share of Rs. 3.02 crores. Further, it has been decided to cover another 94,220 women beneficiaries with the CSB's share of Rs. 5.92 crores for the current year of 2009-10, taking up the total number of policies to 1,41,840 with the total cost of Rs. 8.94 cores. It is expected to create a social security cover for women beneficiaries working in the hazardous areas of silk industry and

increase the access of women in marketing operations.

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.



CHAPTER XVIII
INFORMATION AND
COMMUNICATION
TECHNOLOGY IN TEXTILES

CHAPTER XVIII

INFORMATION AND COMMUNICATION TECHNOLOGY IN TEXTILES

The Textiles sector plays a vital role in both Trade and employment opportunity of Indian continent after agriculture. In order to face the challenging phase, a strategic plan has been executed under the banner of 'Flagship program' with a tag '100 days agenda'. Vision of the program is to construct a globally competitive industry with strong brand equity of its products and maintains its consistency. Mission of the program is to empower the Ministry and Industry with modern management techniques applied through the latest available technology and motivate them to achieve higher growth rates in delivering services, production and trade. Due to technological developments, expectations of trade and industry from the Ministry are also at much higher level especially in getting online services and support. To accomplish their expectations, various IT initiatives were achieved by the Ministry like providing on-line services like e-marketing, design pool for traditional and contemporary crafts with regional languages interface, strengthening the information dissemination through websites with more interactive features.

National Informatics Centre (NIC), Department of Information Technology, Ministry of Communications & Information Technology participated to implement the IT initiatives of the Flagship program successfully within the time frame. It is providing full-fledged technical support in developing and maintaining the ICT infrastructure and net work services along with implementing various information systems/analytical tools for

usage at various levels of the Management.

Enhancing websites

The web technology has been well proven in establishing an enhanced and enriched electronic platform for providing more effective and efficient e-governance services. Ministry and its various organizations had made integrated and coordinated efforts to deliver the information services as per the requirements of the industry. All major textiles organizations (twenty three in number) including attached/subordinate offices, public sector undertakings, export promotion councils and educational institutes like NIFT etc worked together to implement the program.

Being it is a channel for an efficient and effective way of information dissemination with the Industry, websites were reorganized and strengthened with user centric content pages, interactive channels with industry penetration and awareness programs. More utilities like Multi language support, online-feed back, FAQs are incorporated. Moreover, features like Feedback and comments and Web linkages have been integrated on various websites to enhance their interactiveness. Forms required to be submitted and the applications under various schemes of Ministry & its organizations are made available online for users in their websites. Apart from this, statistical data & analysis relating to various sectors of cotton, jute, silk, manmade fiber and their magazines/journals are also made available on respective websites for free of cost. Regular

updates Events, Photo gallery, Media feedback are incorporated. Ministry's new website at <http://ministryoftextiles.gov.in> was launched by the Minister, equipped with the above features.

E-marketing Portals

Due to technological advancement, e-Marketing has caught the imagination of consumers world over and is having potential transaction. This also strengthens the Country's participation and competitiveness in global trade. Ministry of Textiles has taken the initiative to capture a sizable part of this growing market under the strategic leadership of Textiles Minister. With a view to provide e-Marketing facilities for Indian Handicrafts and Handlooms products, Minister of Textiles launched the e-Marketing portals developed by the Central Cottage Industries Corporation of India Ltd. (CCIC), <http://www.cottageemporium.in> and the Handicraft and Handlooms Export Corporation of India Ltd. (HHEC) <http://www.hheconline.in> in Aug, 2009 under the guidelines of the Ministry.

These portals display with more than 1,000 wide ranging handicrafts and handlooms products with specifications, including origin and place of production, high quality graphical display, a single window gateway for procurement, interface for customization along with e-payment. These portals are equipped with proper secured transaction environment, user-friendly navigation, customer support services like online tracking of the shipment, transparent redressal mechanism for any disputes arising thereof, grievances etc. Impact studies confirm the progress growth positively.

Design pool portal

In order to benefit the Weavers of the Handlooms Sector, near about 1,500 free contemporary designs are made available in the websites of Office of

Development Commissioner (Handlooms) in <http://www.designdiary.nic.in/designpool.asp> and National Institute of Fashion Technology (NIFT). These are images in easily downloadable format, tagged with technical details in regional languages to reuse or reproduce. The designs have an important bearing on the marketing of handcrafted and handlooms products as well as motivate the weavers and artisans to innovate new contemporary products. It extends its support in sustaining and capturing both domestic and export markets.

ICT Infrastructure up gradations

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 progress.

Implementation of E-Governance

As per the recommendations of 11th report by the Second Administrative reforms Commission of India to create 'Simple, Moral, Accountable, Responsive and Transparent' (SMART) governance, ministry has already taken significant steps. 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://ministryoftextiles.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://ministryoftextiles.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.

Development of web based e-governance application for Handicrafts sector ' e-shilp' is initiated with the deployment of System for registration of Implementing Agencies and Eligibility Grading Module which will evaluate the eligibility criteria for enjoying the more scheme benefits through the O/o Handicrafts website.

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 users centric under the flagship program. 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 XIX
VIGILANCE ACTIVITIES

CHAPTER XIX

VIGILANCE ACTIVITIES

The 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 - 2009 was observed in the Ministry of Textiles from November 3-7, 2009. 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 XX

*OBSERVATIONS OF THE
COMPTROLLER AND
AUDITOR GENERAL OF INDIA*

CHAPTER XX

OBSERVATIONS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

MINISTRY OF TEXTILES

I. AUDIT Report No. PA 27 of 2009-10 (Performance Audit)

National Textile Corporation Limited

National Textile Corporation Limited (Company) incorporated in April 1968 was managing 119 textile mills taken over by the Government of India, through its nine subsidiaries. All these subsidiaries were declared sick under the sick Industrial Companies (Special Provisions) Act 1985. Revival schemes (2002) and a modified revival scheme (2006) were approved by the Board for Industrial and Financial Reconstruction/Government of India which had envisaged closure of unviable mills and revival of viable mills. According to these schemes, 77 unviable mills were to be closed, 40 viable mills were to be revived (22 through modernization and 18 through public private partnership) and two mills in Pondicherry were to be transferred to the State Government. The scheme was self-financing, the funds realized from sale of surplus assets were to be utilized for revival/modernisation. After analyzing the whole process of sale and disposal of land and buildings, it was observed that:

- The Board for Industrial and Financial Reconstruction/Government of India guidelines for determination of reserve price were not followed in certain cases.
- Reports of consultants were not evaluated resulting in under fixation of reserve price by Rs.493.46 crore

in five cases.

- Tender documents had certain irregularities resulting in loss or Rs.185.10 crore in three cases.
- Properties were sold below registration/circle rates resulting in loss of opportunity to earn Rs.1043 crore in six cases.
- Properties were sold below reserve price and without following the tender process in contravention of BIFR/GOI guidelines.
- No prescribed procedure for valuation of building structures was in existence.
- There were inconsistencies among the guidelines issued by BIFR/GOI and the procedure laid down by the Company.

Pending

II. Report no. 9 of 2008 (Commercial)

2.5 Internal control over financial reporting

Internal control is the process designed and implemented by those charged with governance, and the management to provide reasonable assurance about the achievement of the entity's objective with regard to reliability of financial reporting, effectiveness and efficiency of operations, compliance with applicable laws and regulations, and to check fraud and misappropriation, Internal control measures ensure that the financial

statements prepared give a true and fair view and the degree of reliance that a statutory auditor can place on the financial statements for the purpose of reporting. In accordance with the directions issued by the C&AG under Section 619(3) (a) of the Companies Act, 1956, the statutory auditors are required to submit a report on the adequacy or otherwise, of internal control measures followed by of the company and to suggest improvement, if any, in the areas of management, safeguarding and verification of fixed and current assets including debtors, cash and bank balances.

The deficiencies reported by the statutory auditors with regard to non-maintenance of fixed assets register, lack of physical verification of fixed assets, non-fixation of inventory stock holding norms, lack of monitoring the recovery of outstanding dues, and absence of policies for prevention and detection of frauds in the government companies including deemed government companies are given at table 20.1.

The particulars of the companies indicating lack of internal controls in the above mentioned areas are given below:-

45. Jute Corporation of India Limited:

- (i) The Company did not have any

formal Investment Policy.

- (ii) The internal control procedure in respect of the issue of Challan / Delivery Instructions had to be strengthened.
- (iii) The scope of internal audit Programme needed to be extended to include risk- based area.
- (iv) The Company did not have a delineated fraud policy.

66. The Handicrafts and Handlooms Exports Corporation of India Limited.

- (i) The Company did not have a delineated fraud policy.
- (ii) The physical verification inventories needed to be increased in case of high value items.
- (iii) The system of disposal of non-moving and slow-moving items was not adequate.

Pending

9 Report no. 9 of 2008 (Commercial)

2.6 Compliance with Accounting Standards.

With an objective to harmonise the diverse

Table 20.1

S.No.	Area of Deficiency	Number of companies
1.	Fixed Assets	14
2.	Investments	5
3.	Internal Procedures and Operational Efficiency	15
4.	Debtors	11
5.	Inventory	21
6.	Cash Verification	3
7.	Internal Audit	39
8.	Delineated Fraud Policy	15

accounting practices, adherence to the Accounting Standards (AS) is imperative for preparation of financial statements in accordance with the generally accepted accounting principles. Section 211(3A) of the Companies Act, 1956 read with Section 211(3C) of the Act requires that every profit and loss amount and balance sheet of the company shall comply with the according standards recommended by the Institute of Chartered Accountants of

India (ICAI) or as may be prescribed by the Central Government in consultation with the National Advisory Committee on Accounting Standards. However, during course of audit, statutory auditors and the C&AG observed departures from the mandatory Accounting Standards by the five listed government companies, 35 unlisted government companies and two statutory corporations (42 PSUs). The details are given below:

S. No.	Name of the company	Category	Government company (GC), deemed Government company (DGC) and statutory corporation (SC)	No. of the Accounting Standard
1.	Handicrafts and Handlooms Exports Corporation of India Limited.	Unlisted	GC	9 and 15

Pending

Table 20.2
COMMERCIAL PARAS

S. No.	Report No.	Audit Para No.	Subject	Current Status
1.	2 of 2005	2.1.54 (v)	The title deed in respect of properties at New Delhi and Chennai, were not registered in the name of company.	Pending with audit
2.	3 of 2005 (Commercial)	21.1.1	Irregular payment of ex-gratia	Pending with audit
3.		21.1.2	Avoidable expenditure on regularization of contact labour	Pending with audit
4.	4 of 2005 (Commercial)	14.5.1	Sale of surplus land and building	Pending with audit
5.		14.5.2		
6.		14.6.1		
7.		14.6.2		
8.		14.6.3		
9.		14.7.1		
10.	11 of 2006 (Commercial)	1.5.31 (2)	Overstatement of sales and purchases by The Handicrafts & Handlooms Exports Corporation of India Limited	Pending with audit
11.		1.5.32	Non deposit of PF, ESI etc by National Textile Corporation (APKK&M) Limited	Pending with audit
12.		2.1.9 (1)	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.	Pending with audit
13.	9 of 2007 (Commercial)	1.1.5	Accounts in arrears	Pending with audit
14.		2.4.4.4	Financial Reporting by PSUs	Pending with audit
15.		2.6.1.8	Financial Reporting by PSUs	Pending with audit
16.	11 of 2007 (Commercial)	19.2.1	Irregularity in implementation of Modified Voluntary Retirement Scheme	Pending with audit

S. No.	Report No.	Audit Para No.	Subject	Current Status
17.	9 of 2008 (Commercial)	4.2.2	In active particulars as per Global Compact integrity measures	Pending
18		3.7.1	Non official Directors on the board of unlisted Government companies	Pending
19		2.4.4.6	Observation on quality of financial statements	Pending
20		2.4.4.4	Qualifications on the accounts of unlisted Government companies including deemed government companies by the statutory auditors	Pending
21		2.5	Internal control over financial reporting	Pending
22.		2.6	Compliance with Accounting Standards	Pending

CIVIL

S. No.	Report No.	Para No.	Subject	Current Status
1.	1 of 2001	11.12 (8)	Unspent provision	Pending
2.	2 of 2004	10.1	Recovery at the instance of audit (Special Jute Development Fund)	Pending
3.	1 of 2008	15.1	Non-completiion of Urban Haats	Pending
4.	1 of 2008	15.2	Deficient Property management (NCJD)	Pending
5.	1 of 2008	15.3	Outstanding contingent advances	Pending
6.	2 of 2008	9.1	Unnecessary expenditure (NCJD)	Pending

CHAPTER XXI
PERSONS WITH DISABILITIES

CHAPTER XXI

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 21 (as on 31.03.2009).

Table 21

S. No.	Office/Organisation	Group A		Group B		Group C		Group D	
		SS	PWD	SS	PWD	SS	PWD	SS	PWD
1.	Jute Manufactures Development council (JMDC)	-	-	-	-	-	-	-	-
2.	National Handloom Development Corporation Limited (NHDC)	49	-	64	-	55	-	20	2
3.	The Jute Corporation of India Ltd. (JCI)	70	2	114	1	709	8	227	3
4.	Central Wool Development Board (CWDB)	2	-	4	-	22	-	9	-
5.	Textiles Committee	80	-	173	1	222	2	88	-
6.	O/o the Development Commissioner (Handlooms)	101	-	105	-	687	12	377	3
7.	Sardar Vallabhbai Patel Institute of Textile Management (SVPITM)	-	-	-	-	-	-	-	-
8.	National Institute of Fashion Technology (NIFT)	328	-	168	-	263	1	97	-
9.	Central Silk Board (CSB)	968	6	393	3	1994	35	1007	14
10.	O/o the Textile Commissioner	61	-	176	2	296	3	160	3
11.	O/o the Commissioner of Payments	1	-	1	-	3	-	4	-
12.	O/o Development Commissioner (Handicrafts)	34	-	312	-	1510	2	628	3

S. No.	Office/Organisation	Group A		Group B		Group C		Group D	
		SS	PWD	SS	PWD	SS	PWD	SS	PWD
13.	O/o the Jute Commissioner	11	-	13	-	58	-	29	-
14.	Handicrafts and Handlooms Exports Corporation of India Ltd. (HHEC)	24	-	33	-	79	2	19	-
15.	The Cotton Corporation of India Ltd. (CCI)	72	-	65	2	915	8	145	4

SS- Sanctioned Strength

No. of PWD- Number of persons with disabilities employed.



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