

## Year End Review 2016: Ministry of Textiles

The year 2016 witnessed the Ministry of Textiles taking several initiatives for the development of the textiles sector, with a focus on boosting employment generation, investment, production and export promotion. A sector-wise overview of the various measures and achievements is given below.

### 1) Special Package for Job Creation & Export Promotion in Apparel Sector

The infographic features a background image of a woman in a colorful sari working in a textile factory. At the top center is the Government of India emblem. Below it, the text 'Cabinet Decision' is written in yellow. A large orange box contains the title 'Special Package for Textile and Apparel Sector' in white. Below this, the purpose is stated: 'To improve global competitiveness of Indian textile and apparel sector'. A smaller orange box highlights 'Impact in three years'. The expected outcomes are listed: 'Jobs for 1 crore people, mostly women', 'US\$ 30 bn. in exports', and 'Investment worth Rs. 74,000 crores'. At the bottom, there are social media icons for Twitter, Facebook, YouTube, LinkedIn, and Instagram, along with their respective handles: /PIB India, /jitindia, /jitindia, /jitindia.undpmsa.com, /jitindia, and jitindia.

The Ministry of Textiles rolled out a special package of measures to support the apparel sector and enable it to improve its global competitiveness. Jobs for 1 crore people, mostly women; US\$ 30 bn. in exports; and investment worth Rs. 74,000 crores – all in three years; these are the expected outcomes of the special package, approved by the Union Cabinet, on June 22, 2016.

The package is a strategic decision that would strengthen and empower the Indian textile and apparel sector by improving its cost competitiveness in the global market. The measures assume significance due also to its potential for social transformation through women empowerment; since 70% of the workforce in the garment industry are women, majority of the new jobs created are likely to go to women.

The special package includes a slew of labour-friendly measures that would promote employment generation, economies of scale and boost exports.

The salient features of the package are:

- Employee Provident Fund Scheme Reforms: Govt. of India will bear the entire employer's contribution of 12% under the Employers Provident Fund Scheme, for new employees of garment industry earning less than Rs. 15,000 per month, for the first three years. Further, EPF will be made optional for employees earning less than Rs. 15,000 per month.
- Increasing overtime caps: Overtime hours for workers not to exceed 8 hours per week in line with ILO norms.
- Introduction of fixed term employment: Considering the seasonal nature of the industry, fixed term employment will be introduced for the garment sector.
- Additional incentives under ATUFS: The subsidy provided to garmenting units, under Amended-TUFS, is being increased from 15% to 25%, providing a boost to employment generation.
- Enhanced duty drawback coverage: In a first-of-its-kind move, a new scheme will be introduced to refund the state levies which were not refunded so far. Drawback at All Industries Rate will be given for domestic duty paid inputs even when fabrics are imported under Advance Authorization Scheme.
- Enhancing scope of Section 80JJAA of Income Tax Act: Looking at the seasonal nature of garment industry, the provision of 240 days under Section 80JJAA of Income Tax Act would be relaxed to 150 days for garment industry.

A summary of the expected impact of the package is given below, in quantitative terms:

SUMMARY – 3 YEAR IMPACT				
Segment / Intervention	Annual outgo	Additional Investment (US\$ bn.)	Total Employment Direct & Indirect (Lakhs)	Additional Exports (US\$ bn.)
Measures to Enhance Competitiveness of the Apparel Industry	NIL	1.6	5.7	5.7
	NIL	2.7	4.0	4.0
<b>80JJAA Amendments</b>				
Additional TUFS for garmenting	Rs. 400 - 500 crores	2.6	12.25	7.0
Additional 3.67% EPF contribution				
Additional 5% duty drawback for garments	Rs. 5,500 crores	2.7	9.5	9.5
Labour law reforms	NIL	1.4	1.75	4.2
Direct employment :upstream segments @35% (yarn, fabric & processing)	--	--	10.7	--
Indirect employment* (1:1.3)	--	--	56.4	--
<b>Total</b>	<b>Rs. 6,000 crores</b>	<b>11.0</b>	<b>100.3</b>	<b>30.4</b>

## 2) Special Package for Job Creation & Export Promotion in Made-ups Sector

Given the standing and potential of the made-ups sector, the Union Cabinet approved a special package for the sector, on December 7, 2016. A set of time-bound interventions has been approved, within the approved budget of Rs. 6,006 crore for the apparel package, in order to create large scale direct and indirect employment of up to 11 lakh jobs over the next three years in the made-ups sector.

- Providing production incentive through enhanced Technology Upgradation Fund Scheme (TUFS) subsidy of additional 10% for Made-ups, similar to what is provided to garments, based on additional production and employment after a period of 3 years.
- Extension of Pradhan Mantri Paridhan Rozgar Protsahan Yojana (PMPRPY) Scheme (for apparel) to made-ups sector for providing additional 3.67% share of Employer's contribution

in addition to 8.33% already covered under Pradhan Mantri Rozgar Protsahan Yojana (PMRPY), for all new employees enrolling in EPFO for the first three years of their employment, as a special incentive to Made-ups sector.

- Extension of Rebate of State Levies (ROSL) (for apparel) Scheme to made-ups sector for enhanced Duty Drawback on exports of Made-ups.
- Simplification of labour laws: Increasing permissible overtime up to 100 hours per quarter in Made-ups manufacturing sector, and making employees' contribution to EPF optional for employees earning less than Rs. 15,000 per month.

The package is expected to boost employment in the textile sector and create employment for up to eleven lakh persons, lead to a cumulative increase of US\$ 2.8 billion in exports, attract investment of approximately Rs. 6000 crores and enhance benefits to the workers in the textile and apparel sector.

### **3) Amended Technology Upgradation Fund Scheme**

Following the Cabinet's approval on December 30, 2015, the Ministry introduced Amended Technology Upgradation Fund Scheme (ATUFS) on January 13, 2016. Coming in place of Revised Restructured Technology Upgradation Fund Scheme (RR-TUFS), ATUFS aims to facilitate technology upgradation of the textiles industry. The amended scheme guidelines were notified on February 29, 2016.

The new scheme specifically targets:

- Employment generation and export by encouraging apparel and garment industry, which will provide employment to women in particular and increase India's share in global exports
- Promotion of Technical Textiles, a sunrise sector, for export and employment
- Promoting conversion of existing looms to better technology looms for improvement in quality and productivity
- Encouraging better quality in processing industry and checking need for import of fabrics by the garment sector

The amended scheme would give a boost to "Make in India" in the textiles sector; it is expected to attract investment to the tune of one lakh crore rupees, and create over 30 lakh jobs. A budget provision of Rs. 17,822 crores has been approved, of which Rs. 12,671 crores is for committed liabilities under the old scheme, and Rs. 5,151 crores is for new cases under

ATUFS. All cases pending with the Office of Textile Commissioner which are complete in all respects, shall be provided assistance under the old scheme and the new scheme will be given prospective effect.

The new scheme provides for two broad categories:

- Apparel, Garment and Technical Textiles, where 15 percent subsidy would be provided on capital investment, subject to a ceiling of 30 crore rupees for entrepreneurs over a period of five years.
- Remaining sub-sectors would be eligible for subsidy at a rate of 10 percent, subject to a ceiling of Rs.20 crores on similar lines.

#### 4) Integrated Skill Development Scheme

To mark the occasion of Good Governance Day, on 25<sup>th</sup> December, 2014, the ISDS has been scaled up during the 12<sup>th</sup> Plan with an allocation of Rs. 1,900 crores to train 15 lakh persons. ISDS seeks to address the critical gap of skilled manpower in textile industry through industry-oriented training programmes; it is implemented through three components by 86 Implementing Agencies.

Year wise Target Plan (in lakhs)							
Year	Training Target in mainstream sectors*	Projected Training Target in Unorganized Sector					Grand Total
		Handloom ***	Handicraft ***	Silk	Jute	Total	
2016-17	4	0.24	0.4	0.11	0.05	0.8	4.8
2017-18	8	0.8	0.4	0.15	0.06	1.41	9.41
2018-19	9	0.9	0.4	0.15	0.06	1.51	10.51
2019-20	10	1	0.4	0.15	0.06	1.61	11.61
2020-21	10	1.1	0.4	0.15	0.06	1.71	11.71
2021-22	10	1.2	0.4	0.16	0.06	1.82	11.82
Total	51	5.24	2.4	0.87	0.35	8.86	59.86**

\* Balance Skilling for spinning, weaving and processing jobs will be met through MoSDE/States/Industry  
 \*\* Subject to the funds availability, estimated at approx. Rs. 6000 Cr at present rate of Rs. 10,000 per trainee  
 \*\*\* Up-skilling of the existing weavers and artisans in Handloom and Handicraft sector

To meet the needs of the industry for a skilled workforce and thereby support its competitiveness, the scheme has so far imparted training to a total of 8.49 lakh people, out of which 7.50 lakh have been assessed and 5.79 lakh placed. The scheme has largely aligned

been with the common norms of Ministry of Skill Development & Entrepreneurship. The skilling targets for the coming years are given here.

A review of the web-based Management Information System of the scheme was undertaken by the Union Minister in November. In order to strengthen the monitoring mechanism, the Minister asked for the development of a physical verification module, with a feature to upload videos of visits in stipulated time. In order to ensure that the benefits reach maximum number of people, Smt. Irani sought for the display of scheme details in public domain. She also stressed on the need for increasing participation of SMEs & sensitising textiles councils for taking up initiatives under ISDS.



## 5) North East Region Textile Promotion Scheme: NERTPS

A landmark initiative under NERTPS for construction of Apparel and Garment manufacturing Centres in all NE States was launched in 2014, with the announcement by the Prime Minister on 1st December 2014 in Nagaland. The objective of the scheme is to promote employment in the NE States and encourage entrepreneurship especially amongst women, in the area of garmenting which has a huge potential both within the country and abroad.



Accordingly, centres in all eight states have been completed and are in the process of commencing operations. The centres in Nagaland, Tripura, Mizoram, Arunachal Pradesh and Manipur have already been inaugurated.



Each Apparel and Garment Making Centre set up under the initiative is estimated to generate direct employment for 1,200 people. Each state will have one centre with three units, each having 100 machines. For local entrepreneurs with requisite background, required facilities to start a unit will be provided in ‘plug and play’ mode. Once such entrepreneurs get established, they can set up their own units, allowing the facility to be provided to new entrepreneurs. The project is being fully funded by the Ministry, with an estimated expense of Rs. 18.18 crores for each state.

NERTPS is an umbrella scheme for the development of various segments of textiles, i.e. silk, handlooms, handicrafts and apparels & garments. The scheme has a total outlay of Rs. 1038.10 crore in the 12th Five Year Plan. A total of 45 projects have been sanctioned under the scheme, with a Government of India assistance of Rs. 1043.10 crore.

## 6) Scheme for Integrated Textile Parks (SITP)

State	No of Parks
Andhra Pradesh	6
Assam	1
Telangana	2
Gujarat	14
Himachal Pradesh	1
Haryana	1
J & K	2
Karnataka	2
Madhya Pradesh	1
Maharashtra	14
Punjab	3
Rajasthan	7
Tamil Nadu	8
Uttar Pradesh	2
West Bengal	2
Total	66

SITP addresses the need for infrastructure on cluster basis, and helps the industry meet international environmental standards and establish integrated value-chains under PPP for lowering costs. Under SITP, 66 textile parks have been sanctioned which are at different stages of implementation. This has resulted in employment for 79,000 people and additional investment of Rs. 9,500 crores. Evaluation studies have shown that the industry benefits from the creation of cluster-based infrastructure.

## 7) Integrated Processing Development Scheme (IPDS)

The Ministry of Textiles is implementing IPDS to enable the textile processing sector in meeting environmental standards through appropriate technologies such as marine, riverine and Zero Liquid Discharge (ZLD). The Government of India provides financial assistance up to 50 % of project cost for Common Effluent Treatment Plants (CETPs), subject to a ceiling of Rs. 75.00 Crore. The Ministry has approved four projects in Rajasthan and two projects in Tamil Nadu, providing relief to about 2000 SME units.



## 8) Handloom Sector

### Celebration of Second National Handloom Day

The second National Handloom Day - 7<sup>th</sup> August, 2016 - was celebrated across the nation by the Ministry of Textiles. The Union Textiles Minister Smt. Smriti Zubin Irani inaugurated the main event in Banaras Hindu University, Varanasi. The Sant Kabir Awards 2015, the National Handloom Awards 2015, prizes for winners of India Handloom Brand Design Contest and 'Design Sutra' contest of NIFT were given away by the Union Minister, on the occasion.



The Minister spoke of the need for a weavers' census so that they can directly connect with the Government and avail benefits of schemes. She also announced the setting up of a helpline for resolving professional queries of handloom weavers.



The Ministry of Textiles signed MoUs with the Ministry of Skill Development and Entrepreneurship for skill upgradation of handloom weavers through Weavers Service Centres (WSCs). An MoU was signed with National Institute of Open Schooling (NIOS) and Indira Gandhi National Open University (IGNOU) for providing educational opportunities to handloom weavers and their children. Another MoU was signed with NIFT for implementing revamped curricula to incorporate handlooms and handicrafts and engage leading fashion designers to work with handloom clusters. MoUs were signed also with Fashion Design Council of India and other reputed designer groups to provide services of reputed designers as mentors to WSCs. Leading fashion designers including Rajesh Pratap Singh, Anita Dongre, Samant Chauhan, Sanjay Garg, Shruti Sancheti, Rina Dhaka and Tarun Tahiliani joined hands with the Ministry of textiles in promoting hand-woven clothes. The fashion range in India Handloom Brand was also launched on the occasion. A number of leading garment manufacturers agreed to adopt the India Handloom Brand fabric as well. The occasion also witnessed handloom weavers being presented MUDRA loans from the Union Minister. The Minister also dedicated new buildings for six Common Facility Centres to the nation on the same day.

To spread the word about the occasion and popularize the use of handlooms, the Ministry of Textiles ran a social media campaign with the hashtag #IWearHandloom. The campaign, which was launched by the Textiles Minister with posts by her on Twitter and Facebook, elicited a very good response.



## **5 Lakh handloom weavers to get MUDRA loans in three years**

This target was announced by Union Textiles Secretary, Smt. Rashmi Verma, at a national workshop on MUDRA scheme for handloom weavers and artisans, organized by Office of Development Commissioner (Handlooms), Ministry of Textiles at New Delhi on June 29, 2016. Smt. Verma informed that the Government has formulated a new model under MUDRA scheme for providing credit to handloom sector. The new model combines elements of concessional credit such as margin money, interest subvention and credit guarantee cover. The Ministry of Textiles has requested every state and UT to prepare a three-year action plan to achieve the five lakh target.

### **Block Level Handloom Clusters**

During this year, the Government has significantly expanded its support to handloom clusters, in terms of Common Facility Centres (CFCs), skill upgradation, assistance for loom upgradation and effective project management by engaging the services of full time Cluster Development Executives and competent designers. A total of 254 clusters have been sanctioned so far in 23 states.

### **Hathkargha Samvardan Sahayata (HSS)**

- On the occasion of 2<sup>nd</sup> National Handloom Day celebrated in Varanasi on 7<sup>th</sup> August 2016, Hon'ble Minister of Textiles announced "Hathkargha Samvardhan Sahayata" to meet the needs of the handloom weavers for assistance for looms and accessories on larger scale with an objective to improve quality of fabric and productivity.
- HSS aims to improve earnings of the handlooms weavers.
- For implementation of HSS, Weavers' Service Centre concerned will play a lead role, including in selection of weavers, arranging camps of empaneled suppliers etc.
- Assistance for looms/jacquards/dobbies etc. will be provided to maximum possible number of weavers who have undergone training in weaving in last 2 years, including in Block level cluster projects. Benchmark cost of handloom (upto 60" is Rs. 25,000/- and above 60" is Rs. 40,000/-), motorised Warping Machine – Rs. 45,000/-, Jacquard Rs. 15,000/- etc.
- In 254 block level clusters for which funds have been released, 36,495 weavers will be benefitted from looms/accessories etc. across the country.
- For availing looms/accessories by the weavers, he/she will be required to pay only 10% of the unit cost to the empaneled supplier in the Camp. 90% of the unit cost will be borne by the

Government and will be transferred in the Bank account of weavers through designated Agency i.e. National Handloom Development Corporation (NHDC).

- Looms procured by the weavers under HSS should either be installed in their cottage or common workshed of Co-operative Society/SHG/Govt. for carrying out weaving.
- In Varanasi, selection of beneficiaries and empanelment of suppliers completed. On 22<sup>nd</sup> Dec. 2016, during the camp, weavers will place supply order to the supplier for supply of 501 looms/accessories (151 frame looms, 231 jacquards and 119 motorised jacquards) and pay their 10% financial contribution electronically.

### **Rashtriya Swasthya Bima Yojana (RSBY)**

The Government has decided to provide life insurance and health insurance benefits to handloom weavers through national social security schemes. Handloom weavers have been given coverage under RSBY from April 1, 2016. The available assistance has been increased to Rs. 30,000/-, as against Rs. 15,000/- earlier. The Government is also in the process of providing coverage to handloom weavers in Pradhan Mantri Jeevan Jyoti Yojana; it will provide an insurance cover of Rs. 2.00 lakh in case of death due to any reason, as against the present life cover of Rs. 60,000/- in natural death and Rs. 1.50 lakh in case of accidental death. Further, Ministry of Finance, Government of India is coordinating with concerned Ministries to converge all Insurance Schemes including Mahatma Gandhi Bunkar Bima Yojana (MGBBY) to Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY) from the next financial year and planning to cover all handloom weavers under the insurance coverage.

### **India Handloom Brand gets showcased in Italy**



Five registered holders of 'India Handloom' Brand showcased their products for the first time abroad in the Italy market, at the India Textile Handloom Exhibition, inaugurated on July 7, 2016 at Anzio, Italy, jointly by Union Textiles Secretary, Ambassador of India to Italy and Mayor of Anzio, Italy. Six handloom exporters and five handicraft artisans too displayed their products.

## **First Meeting of All India Handloom Board held**

The first meeting of the All India Handloom Board was held in New Delhi, on 19<sup>th</sup> April, 2016, under the Chairmanship of the then Union Textiles Minister Shri Santosh Kumar Gangwar. The Minister conveyed to the Board members that the Government under the leadership of Hon'ble Prime Minister Shri Narendra Modi is implementing a newly chalked out strategy for revival and resurgence of the handloom industry. Shri Gangwar said that the new strategy for revival of the handloom industry has the core objective of increasing the earnings of handloom weavers through skill upgradation, loom upgradation, availability of good quality raw material at cheaper rates, availability of adequate credit facilities, product design and development and branding for effective marketing.

He said that the most important initiative in this regard has been the launch of 'India Handloom' Brand, aimed at regaining consumer confidence, through quality endorsement in terms of authenticity, azo-free dyes, and fast colours. He added that Information Technology is being harnessed in a significant way, for bringing transparency and ease to beneficiaries in accessing facilities. The Minister said that under the Enterprise Resource Planning (ERP) project of National Handloom Development Corporation Ltd., weavers will be able to place indents online, track status of their indents, view the stock of materials in yarn depots, get information about unused quota in yarn subsidy scheme and get important information on dispatch of material through SMS in their local language.

During the meeting, the Textiles Minister launched a web portal for continuous upgradation of details of handloom weavers, which will enable effective and easy implementation of various schemes. He said that a dedicated website has already been launched, where applications for 'India Handloom' Brand registration can be submitted. The Minister announced that a portal-based application for allotment of stalls in sale exhibitions will also be launched soon; this will enable handloom weavers to register their application online, doing away with the need to go to Weavers Service Centres for the same. He said that the allotment of stalls will be done through the software and will be displayed on the portal for full transparency.

## **BUNKAR MITRA -- HANDLOOM HELPLINE CENTRE**

Currently 28 Weavers' Service Centres (WSCs) are functioning across the country to provide technical assistance to handloom weavers in improving their skills. For seeking assistance, weavers have to personally visit the WSCs. As on date, there is no single point of contact where weavers can seek solutions for their technical issues/problems.

In order to enable poor weavers to overcome these problems, the Central Government has decided to establish a “**Bunkar Mitra-Handloom Helpline Centre**” where professional queries of weavers will be answered by the experts in the field. This helpline will function from 10.00 a.m to 6 p.m. and initially it will be provided in 6 languages viz., Hindi, English and 4 other regional languages (Telugu, Tamil, Bengali & Assamese).

To set up this helpline, online bids were called by following the due e-procurement process. M/s. MSD (I) P. Ltd., Bhopal has been selected as an agency for providing Handloom Helpline Centre and LOI was issued on 30.11.2016. A period of 30 days has been given for making entire installation and set-up of call centre and to make it operative.

### **India Handloom Brand joins hands with BIBA and Peter England**



Following the announcements made on 2nd National Handloom Day, the Ministry of Textiles has joined hands with leading brands BIBA and Peter England. The Ministry has launched India Handloom Brand garments at BIBA’s flagship store at Lajpat Nagar, New Delhi on November 7, 2016. Under the collaboration, India’s leading pan-India ethnic brand BIBA would create apparels using the India Handloom Brand fabrics promoted by the Ministry of Textiles. On November 28, India's leading menswear brand Peter England too rolled out an exclusive India Handloom brand collection, which was launched by the Textiles Minister. The brand procured India Handloom fabric from Mangalgiri cluster of Andhra Pradesh, benefitting weavers directly. The company intends to procure 1 lakh metres of fabric in the next FY, to roll out the collection at all 75 stores across India.



## 9) Handicrafts Sector

The Government of India has revised handicrafts schemes and formulated a new strategy, which has four broad components:

- Infrastructure development, such as a Common Facility Centre in every cluster
- Development of design and training, through schemes under Office of DC (Handicrafts)
- Direct assistance to artisans, such as online assistance through their bank accounts
- Linking up with market with participation of private sector



A major initiative taken by the Ministry of Textiles during the year, for promotion and development of handicrafts sector, is the launch of 'Pehchan' - an initiative to register & provide ID cards to handicraft artisans for better access to benefits. The nation-wide campaign to provide identity cards to handicrafts artisans from all over the country was launched by the Union Textiles Minister Smt. Smriti Zubin Irani, at a Pehchan registration camp organized at Sant Kabir Nagar, on 7th October, 2016. In order to ensure one-stop assistance for artisans, desks were also set up for registration of Jan-Dhan Yojana, Aadhar Card and LIC Insurance. The linkage with Aadhaar would help avoid duplication of benefits.

Similar camps were held at 50 locations across the country. MoS, Shri Ajay Tamta joined the launch of 'Pehchan' registration camp at Dehradun in Uttarakhand. A total of 4,30,441 Pehchan registration forms were collected, as on 8<sup>th</sup> December, 2016.



The President of India, Shri Pranab Mukherjee presented Shilp Guru awards and National Awards to master craftspersons at a function at Rashtrapati Bhavan Cultural Centre, New Delhi, on 9<sup>th</sup> December, 2016. 9 Shilp Gurus and 19 National Awardees received the awards for the year 2015. The main objective of the awards is to give recognition to masters for their excellence in craftsmanship and valuable contribution to Indian Handicrafts.



## 10) Powerloom Sector

In view of the unfavourable conditions being faced by the powerloom sector which is predominantly decentralised and unorganized, the Union Textiles Minister chaired a meeting in New Delhi on 22<sup>nd</sup> August, 2016, to discuss the issues affecting the powerloom sector and to chart the way forward. The meeting was attended by two Ministers of State, namely, MoS, Textiles and MoS, Defence, apart from Secretary, Textiles and senior officers from the Ministries of Textiles, Power, New & Renewable Energy and NITI Aayog. Several Members of Parliament representing major powerloom clusters also participated in the deliberations. Most importantly, the meeting was attended by stakeholders and representatives of powerloom associations from across the country.

The meeting facilitated wide-ranging discussions on the issues affecting the powerloom sector and also elicited suggestions from the stakeholders to formulate a strategy for overcoming the present situation and to also strengthen the powerloom industry.

Based on the deliberations and the suggestions elicited from the deliberations, the Textiles Minister observed that a specific strategy will be formulated through an inter-ministerial consultation process for strengthening the powerloom sector.

The meeting ended with the stakeholders expressing their appreciation for the Minister's prompt and responsive action in calling for the meeting, which aimed solely at mitigating the stressful conditions faced by the powerloom sector.

During the year, a major impetus has been given to upgradation of plain powerloom.

- More than 80,000 looms have been upgraded, with subsidy of Rs.105 crores from the Government of India
- This has led to a substantial improvement in quality, productivity and earnings

Moreover, 125 Group Worksheds have been sanctioned in the last two years. To ensure availability of raw material at a reasonable rate, 20 yarn banks were sanctioned in TN, Gujarat, UP & Maharashtra. The assistance to powerloom sector has been scaled up in 2016-17 to Rs. 115 crores, as compared to Rs. 12 crores three years ago.

## 11) Cotton Sector



### Cotton

#### Stakeholders Meeting

The Textiles Minister chaired an interactive meeting with Cotton Stakeholders, held in Mumbai on October 21, 2016. Secretary (Textiles), representatives from Central Govt., State Govt., Ginning & Pressing Sector, Cotton Trade, Textile Industry and Garment Sector attended the meeting. The Textile Commissioner made a presentation covering the present status of cotton sector in India, historical trend in production, mill consumption, import and export of cotton, state-wise area under cotton, production of cotton & cotton balance sheet for the cotton season 2015-16, domestic and international cotton scenario in 2016-17, minimum support prices declared for season 2016-17 and price trend during 2015-16 and 2016-17.

#### MSP for Cotton Year 2016-17

- Medium Staple : Rs.3860 per quintal
- Long Staple : Rs.4160 per quintal

<b>Cotton Year (October-September)</b>	<b>Total Arrival (Lakh bales)</b>	<b>Procured under MSP (Lakh bales)</b>
2014-15	386.00	92.60
2015-16	338.00	8.95

The timely intervention by the Govt. in procuring more than the Industry's requirement has enabled it to keep the prices above MSP level.

During cotton season 2015-16, cotton prices in the country abnormally increased in the month of May/July 2016 due to damage by white fly pests in Northern region & pink boll worm attack in Gujarat region and panic buying by the mills to cover their lean season requirement. In such situation, in order to safeguard the interest of the textile Industry including Micro, Small and Medium Enterprises (MSMEs), Government of India, Ministry of Textiles decided in July, 2016 to sell the balance unsold stock available with CCI to MSME units through e-sale so as to provide them some relief from cotton price volatility in the market and stabilize the market prices. Accordingly, all the cotton stocks of CCI has been sold.

## 12) Silk Sector

The Ministry implements Integrated Scheme for the Development of Silk Industry, a Central Sector scheme, with the following 4 components:

- Research & Development, Training, Transfer of Technology and IT Initiatives
- Seed Organization
- Coordination and Market Development,
- Quality Certification Systems, Brand promotion & Technology up-gradation

Under this scheme, Rs. 68.26 crores were released to states during 2015-16 and Rs. 63 crores have been allocated during 2016-17.

Besides this, Integrated Sericulture Development Project (ISDP) and Intensive Bivoltine Sericulture Development Project (IBSDP) are being implemented in North East Region, under NERTPS, at a total cost of Rs. 760.60 crore, the share of Government of India being Rs. 633.75 crore. The above schemes are aimed at improving the quality, productivity and production of silk in the country in coordination with state governments. The silk production target for the financial year 2016-17 is 32,000 MT (as against a target of 28,523 MT for the previous year).

### 13) Jute Sector

#### **Jute Industry to reorient its image as a labour-friendly and farmer-friendly industry**

This decision was taken at a meeting of the stakeholders of Jute sector, held under the Chairpersonship of the Union Textiles Minister, in Kolkata, on 6th September 2016. The meeting was attended by Secretary (Textiles), Members of Parliament, representatives of the Jute industry, jute balers and jute farmers apart from representatives of the State. The meeting enabled deliberations with the stake holders on protection of jute farmers, jute diversification, and promotion of exports and workers' welfare. During the meeting, it was decided that the Jute Millers shall organize a "Swachhta Pakhwada" under the "Swachh Bharat Mission" for improving the living conditions and working conditions of Jute workers.

#### **Strengthening of Jute Packaging Norms**

Government of India provides support to the sector by notifying norms for mandatory packaging of food grains and sugar in jute bags under the Jute Materials Packaging Act, 1987. These norms have been strengthened in order to safeguard the interests of jute workers and jute farmers.

#### **Common Facility Centres**

To promote Jute Diversified Products (JDP), clusters operated by Women Self Help Groups have been started at block level. These are provided support in design, training, raw material and common facility infrastructure. Five Common Facility Centres have been set up for the same.

Further, the Ministry has been working in liaison with State Governments for promoting the use of Jute Geo-Textiles in roadways, river embankment and slopes stabilization for improving consumption of Jute.

Jute Corporation of India has been providing support to jute farmers through Minimum Support Price (MSP) operations, whenever the raw jute price falls below the MSP. These interventions are directly benefitting about 3.70 lakh jute workers and 40 lakh farm families across the country.

**JUTE-SMART, an e-Governance Initiative is a Smart Tool for Procurement of B-Twill Sacking, is launched by Hon'ble Union Minister of Textiles on Good Governance day, 2016.**

JUTE-SMART seeks to provide an integrated platform for use by all the stakeholders to allow easy access to information, more transparency and ease of doing business for the jute sector. B-Twill Supply Management & Requisition Tool, in short, JUTE-SMART is a web based application developed to facilitate end to end transactions relating to procurement of B-Twill sacking. It is designed to:



- Integration of the process of indenting of B-Twill by the SPAs.
- Remittance of required fund by SPAs into their respective bank accounts.
- Rule based allocation of Production Control cum Supply Order (PCSO) by the Office of Jute Commissioner.
- Generation of Inspection calls by the jute mills and allocation of inspectors by the Inspection Agencies.
- Uploading the Inspection report by the Inspecting Agency.
- Uploading of dispatch information by loaders/jute mills for transport by Rail/Road and CONCOR.
- Generation of bills by the jute mills and ultimately release of payment by this office from the respective banks to the jute mills.
- Generation of complaints online, if any, by the SPAs.
- Real time reconciliation of funds remitted by the SPAs.

The Cabinet Committee on Economic Affairs (CCEA) decided to transfer the operation of purchase and supply of B-Twill sacking by the State Procurement Agencies (SPAs) from the Directorate General of Supplies & Disposal (DGS&D) to the Office of Jute Commissioner, Kolkata with effect from 1<sup>st</sup> November 2016. Annually about Rs. 5500 crore worth of jute sacking is procured through support by the Government of India to support the Indian jute workers and farmers.

The erstwhile system relied mostly on paper and there were bottlenecks tot information sharing between the stakeholders, mainly State Procurement Agencies, the Ministry of Food and Public Distribution, Jute Mills, Inspecting Agency, Loaders, Consignees, Pay and Accounts Office etc. Since B-Twill sacking is an essential requirement for procurement of foodgrains, the entire operation is time bound and needs to be closely monitored. In addition, the system provides for automated transactions through banks to reduce cost to the State Procurement Agencies on account of loss of interest on their funds.

The SPAs have already selected their banks and Inspection Agencies from those selected through responses to Request for Proposals. Necessary training have been provided to the State Procurement Agencies, Banks, Inspection Agencies and supplying jute millers for using this system.

At present the JUTE-SMART software has become operational and indents of 3.01 lakh bales worth of Rs. 700 crores (approx.) have already been placed through JUTE-SMART in the month of November and December 2016 by SPAs from Punjab, Haryana, Odisha, AP, Telengana and Bihar and PCSO have been placed for these bales to the jute mills located in 7 states.

JUTE-SMART is a smart software platform which will significantly ease the process of B-Twill procurement by state governments and FCI, make the process completely transparent and rule based and also reduce costs for the SPAs.

#### 14) Wool Sector

##### **Pashmina Promotion Programme (P-3)**

The Ministry of Textiles had developed the Pashmina Promotion Programme (P-3) for improving quality and quantity of pashmina wool as well as living standards of nomads (wool growers) of Ladakh region. The scheme has a total financial outlay of Rs. 19.12 crores.

Under Pashmina Wool Development Scheme (PWDS), 800 families and 2 lakh pashmina goats in Leh and Kargil districts, as well as 75,000 sheep and 40,000 pashmina goats in Ladakh region, were provided Feed Supplement. The scheme has benefitted 24 lakh sheep of all major wool producing States, under ongoing projects under ‘Sheep & Wool Improvement Scheme’ (SWIS). Further, projects to procure 46 Sheep Shearing machines have been sanctioned to states, under Quality Processing of Wool scheme.

The scheme has an allocation of Rs. 115.12 crore under the 12<sup>th</sup> Five Year Plan.

<b>Year</b>	<b>Budget Allocated</b>	<b>Budget Utilized</b>
2012-13	13.51	13.51
2013-14	16.00	16.00
2014-15	20.00	18.98
2015-16	17.66	15.65
2016-17	29.00	14.50 (up to Sep 2016)

#### 15) Promotion of Technical Textiles

The Ministry has taken various initiatives to promote technical textiles.

- Technology Mission on Technical Textiles (TMTT) (Total outlay: Rs.200 Crores); Centres of Excellence have been established/upgraded and contract research conducted.
- Focus Incubation Centers under TMTT (Total outlay: Rs.17.4 Crore)
- Scheme for Promoting Usage of Agrotextiles in NER (Total outlay: Rs.55 Crore)

- Scheme for Promoting Usage of Geotextiles in NER (Total outlay: Rs.427 Crore)
- Government of India provided 10% Capital Subsidy and 5% Interest reimbursement on specified technical textile machinery under TUFs. In recently announced ATUFs as well, 15% capital subsidy shall be provided
- 100% FDI is allowed in the textile sector (including Technical Textiles) under the automatic route.
- In Budget 2016-17, Customs Duty decreased from 5% to 2.5%, on select high performance speciality fibres (raw material for Technical Textiles).

### **ISDS Initiative**

**In pursuance to the efforts in bringing more transparency into the system, as part of “Good Governance Day”, the information relating to the progress of ISDS along with State wise details of all live training programmes under the scheme will be opened for public view through Ministry’s website.** The live information being sourced from MIS will be displayed in a separate page of Ministry’s website in a **user friendly dashboard** format giving State-wise, sector-wise, category-wise progress of training programmes under the scheme across the country. The drop down provision will facilitate downloading of state-wise details of training centres along with names of trainees undergoing training in respect of all live training centres under the scheme. The proposed interactive provision in the MIS will also enable any prospective trainee to identify the live training centre close to his native so as to enroll himself/herself for training. In addition, as part of this occasion, in order to utilize and harness the benefits of existing state-of- the-art secured Government cloud set up by NIC, ISDS-MIS presently hosted in a private cloud has been migrated to NIC cloud.

The strength of the textile industry, especially the textile and clothing sector, can be leveraged in two ways. While skilled workforce will provide competitive edge to the textile industry in the global market, it will also be a tool for participative and inclusive growth by providing job opportunities to the unemployed rural youth preferably below matriculates and from marginalized section of the societies. Integrated Skill Development Scheme (ISDS), the flagship demand driven placement linked skilling programme of the Ministry is an initiative towards this direction. The Ministry is partnering with State Government Agencies, industry, major textile training institutions, Textile Research Organizations and industry associations for implementing the scheme. Out of the 12<sup>th</sup> Plan target of 15 lakh persons under the scheme, the Ministry has so far trained a total of 8.82 lakh persons.

With an objective to ensure transparency in implementation and also to maintain accountability, Ministry has taken following measures under the scheme:

- i) Outcome based approach with mandatory placement of 70% of trainees.

- ii) Towards digitization, a web based centralized Management Information System (MIS) platform giving interface to all stakeholders has been operationalized for ease of monitoring of implementation of training programme.
- iii) Biometric attendance of trainees is captured mandatorily during the training cycle and the data is pushed to MIS on live basis.
- iv) Aadhaar platform has been introduced in MIS for identification of trainees and to avoid duplicity in enrolment.
- v) Third party assessment of trainees after training has been made mandatory across the scheme.
- vi) Random physical verification of live training centres is carried out through field offices of Ministry.
- vii) QR code enabled e-certificates are issued to passed out trainees facilitating verification of the credentials of trainees by prospective employer using QR code scanner.

## **16) NIFT**

- A new initiative, ‘Craft Cluster Initiative’ has been introduced into the NIFT curriculum. This enables students to work in collaboration with artisans and weavers.
- ‘Revised Cluster Initiatives’: NIFT has signed MoUs with DC (Handicrafts) and DC (Handlooms), providing for symbiotic collaboration between Ministry of Textiles & NIFT in linking handloom clusters with budding fashion professionals, leading to design intervention and product diversification.
- USTTAD Project (Upgradation of Skills and Training in Ancestral Arts/Crafts for Development): under this project, NIFT collaborates with Ministry of Minority Affairs for training and upgrading skills of craftsmen belonging to minority communities; this will encompass 25 handicraft and handloom clusters. The project has been introduced for 5 years, commencing from academic session 2016-17; it involves a financial assistance of Rs. 49.35 crore (@ Rs. 9.87 crore per annum for 16 NIFT campuses)
- From the Academic session 2016- 2020, New Foundation Programmes have been rolled out by NIFT which are more process and application based.
- Extension Centre of NIFT has been set up at Varanasi, where short-term courses are offered to encourage weavers to revive traditional designs by providing training and disseminating awareness among traditional weaving community.



The 22nd Convocation of [National Institute of Fashion Technology \(NIFT\)](#) – New Delhi, was held on 4<sup>th</sup> October, 2016. Speaking on the occasion, the Union Textiles Minister Smt. Smriti Zubin Irani said that a programme is on the anvil, which would enable international academicians to come and teach at NIFT, New Delhi, at no extra cost to the institute or the student. She said that this would be on the lines of Global Initiative of Academic Networks (GIAN) in Higher Education, a programme of the Ministry of Human Resource Development, Government of India.



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