



**GOVERNMENT OF INDIA**

**OUTCOME BUDGET**

**2008-2009**

**MINISTRY OF TEXTILES**

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## PREFACE

Outcome Budget 2008-09 is designed to provide an indicator of the relationship between estimated outlay and expected outcomes as an integral part of the Budget and thus acts as a tool for management and as an instrument of evaluation of performance. The Outcome Budget presents the budget of the Ministry in terms of functions, programmes and activities, correlating the physical and financial aspects of the individual items comprising the Budget.

The Outcome Budget document covers all the developmental activities of the Ministry. It is intended to highlight the programmes and activities undertaken by the Ministry, targets and achievements for 2006-07, 2007-08 (upto December-2007) and target set for 2008-09, wherever possible. Scheme of chapters in the document is as follows-

CHAPTER I: A brief introductory note on the functions of the Ministry/Department, organizational setup, programmes/schemes implemented by the Ministry, its mandate, goals and policy framework.

CHAPTER II: This chapter contains a tabular format which comprises of the financial outlays, projected physical outputs and projected/budgeted outcomes.

CHAPTER III: Detail reform measures and policy initiatives and how they relate to the intermediate outputs and final outcomes in areas such as public private partnerships, alternate delivery mechanisms, social and gender empowerment processes, greater decentralization, transparency, etc.

CHAPTER IV Contains physical performance explaining the scope and objectives of individual programmes/schemes, giving their physical targets and achievements.

CHAPTER V : Financial Review indicates overall trends in expenditure vis-à-vis Budget Estimates/Revised Estimates, position of outstanding utilization certificates.

CHAPTER-VI : Review of performance of Statutory and Autonomous Bodies under the administrative control of this Ministry.

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# CHAPTER I

## INTRODUCTION

The Ministry of Textiles is responsible for policy formulation, planning development, export promotion and trade regulation of the textile industry.

The Government is committed to a strong and vibrant Textile Industry which would contribute significantly to production and employment and thereby promote economic growth. Production would entail the competitiveness both in price and quality in the wake of liberalization of textile trade globally. The Indian textile industry has to consolidate its strength, overcome its weaknesses and be well equipped to not only face the onslaught of imports but also carve a niche for itself in the world market. Policies and programmes have been formulated to enable the textile industry to rise to global standards. The industry has been largely freed from the shackles of controls and regulations to enable it to perform in a more competitive environment. Foreign Direct Investment (FDI) will have a critical role in getting world class state-of-the-art manufacturing capability even while conforming to environmental standards. A strong multi-fibre base has to be developed and both product upgradation and diversification have to be given due attention. Human Resource Development has to be an integral part of any developmental programmes. Hence, there is a need not only to sustain and strengthen traditional knowledge skills, and capability of textile workers but also to identify areas where under the changed scenario new skills need to be developed and training needs to be imparted. Mapping of the human resource requirements of the textile industry to facilitate the creation of a pool of skilled labour to meet the growing requirements of the industry is one of the critical tasks to be undertaken. Textile industry is a multi fibre user . Owing to several factors progress has been uneven which needs to be remedied. A proactive role has to be played in promoting and facilitating adoption of IT in textile industry and trade considering the vital role of IT in the global economic environment. The fiscal policies have to be tuned to create a level playing field within the sub-sectors of the industry. In these variegated tasks, the stakeholders including the central and state government's financial institutions, industry and non-government organizations have to work in unison to translate these several objectives into concrete achievements.

The strategic thrust will be on :

- Technological Upgradation;
- Enhancement of productivity;
- Quality Consciousness;
- Strengthening of raw- material base;
- Product diversification;
- Increase in exports and innovative marketing strategies;
- Financing arrangement;

- Maximizing employment opportunity;
- Integrated human resource development.

The important targets and outputs to be met include the following :-

1. To ensure the growth of the Indian textile industry at 16 percent per annum in value terms, to US\$ 115 billion (export of US\$ 55 billion and domestic market of US\$ 60 billion) from present level of US\$ 47 billion, by the end of the Eleventh Five Year Plan.
2. To secure a 7 percent share in global textile trade by the end of the Eleventh Five Year Plan.
3. Create 12 million new jobs in the Textile Sector;
4. To build world class, state-of-the-art, manufacturing capacities and achieve a predominant global standing in manufacture and export of textiles and clothing.
5. To enable Textiles Small & Medium Enterprises (SMEs) to achieve competitiveness to face the global scenario with confidence.
6. To provide a conducive policy environment which will encourage innovation, augment R&D efforts, and enhance productivity through the upgradation of technology, manufacturing processes and the development of human resources.
7. Make an additional investment of Rs. 1,50,600 crore for modernization and consolidating the Textile Industry to make it globally competitive.
8. Encourage the private sector to set up world class environment friendly, integrated textile complexes and textile processing units in different parts of the country.
9. Strengthen and encourage the handloom industry to produce value added items.
10. Facilitate the growth and strengthen HRD Institutions including NIFT (National Institute of Fashion Technology) on innovative lines.
11. Re-design and revamp the Schemes and Programmes initiated in the decentralised sectors to ensure better returns for those belonging to the disadvantaged categories, and the North East and other backward regions of the country.
12. The target for textile exports for the current year 2007-08 has been fixed at US\$ 25.06 billion. Exports had reached US\$ 17.5 billion in 2005-06, an increase of about 25% over the previous financial year. During the year

2006-07 exports of textiles and clothings reached US\$ 18.71 billion thereby registering a growth of about 7% over the financial year 2005-06.

The new initiatives taken during Annual Plan 2007-08 & 2008-09, inter alia, include:

- a) Foreign Investment Promotion Scheme to attract foreign direct investment in textiles, clothing and machinery.
- b) Brand Promotion Scheme, which is based on Public-Private Partnership (PPP) approach, to develop globally acceptable Indian apparel brands.
- c) Textilpolis to act as trade facilitation Centre for Indian image branding and R&D.
- d) Fashion Hub to provide an interface among stakeholders such as industry, exporters, importers and buyers, by creating a permanent market place for the Indian fashion industry.
- e) 'Common Code of Conduct' or 'Compliance Code' for acceptability by majority of apparel buyers.
- f) Emphasis on Human Resource Development which involves setting up of Training Centres in Public Private Partnership (PPP) mode)

## **ORGANISATIONAL STRUCTURE**

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

The principal functional areas of the Ministry cover the following:

- Textile Policy & Coordination
- Man-made Fiber/ Filament Yarn Industry
- Cotton Textile Industry
- Jute Industry
- Silk and Silk Textile Industry
- Wool & Woollen Industry
- Decentralised Powerloom Sector
- Export Promotion
- Planning & Economic Analysis
- Integrated Finance Matters
- Information Technology

## **II. ATTACHED AND SUBORDINATE OFFICES**

### **1. Attached Offices :**

#### **(i). Office of the Development Commissioner for Handlooms**

This office is headed by the Development Commissioner for Handlooms. It implements various schemes for the promotion and development of the handloom sector and has been providing assistance to handloom weavers in a variety of ways. Its subordinate offices are - Weavers' Service Centers, Indian Institutes of Handloom Technology and the Enforcement Machinery for implementation of The Handlooms (Reservation of Articles for Production) Act, 1985.

#### **(ii). Office of the Development Commissioner for Handicrafts**

The office is headed by the Development Commissioner for Handicrafts. The office supports the State Governments with the developmental schemes for the handicraft sector. It has six regional offices at Mumbai, Kolkata, Lucknow, Chennai, Guwahati and New Delhi.

### **2. Subordinate Offices:**

#### **a) Office of the Textile Commissioner**

The office of the Textile Commissioner has its headquarters at Mumbai with 8 regional offices throughout the country. The office is headed by the Textile Commissioner. The Textile Commissioner acts as the principal technical advisor to the Ministry. This office is entrusted with the responsibility of implementation of various regulatory orders. Through a network of regional offices, the Textile Commissioner carries out techno-economic surveys and advises the Government about the general economic health of the textile industry. The developmental activities of the Office of the Textile Commissioner centre around planning the growth and overall development of the textile sector. Fourteen Powerloom Service Centres are functioning under the administrative control of the Textile Commissioner. The Textile Commissioner also supervises the work of thirty Powerloom Service Centres run by TRAs and State Government agencies. This office also implements and monitors various developmental and promotional schemes like the Technology Up-gradation Fund Scheme for the textile and Jute Industry, the Textiles Workers Rehabilitation Fund Scheme(TWRFS) and the Technology Mission on Cotton etc.

#### **b) Office of the Jute Commissioner**

This office is headed by the Jute Commissioner. Located at Kolkata, this office is entrusted with the responsibility of implementing the policies of the Government in jute sector. Just as the Textile Commissioner acts as the principal technical adviser to the Ministry on textile industry, the Jute Commissioner gives technical advice to the Ministry on all matters relating to the jute industry including the jute machinery industry.

### **III. LIST OF OTHER ORGANISATIONS/BODIES UNDER THE MINISTRY OF TEXTILES**

#### **PUBLIC SECTOR UNDERTAKINGS**

- i) National Textiles Corporation Ltd., New Delhi.
- ii) The British India Corporation Ltd., Kanpur.
  - a) The Elgin Mills Ltd., Kanpur.
  - b) Cownpore Textiles Mills Ltd., Kanpur.
- iii) Cotton Corporation of India Ltd. Mumbai.
- iv) Jute Corporation of India Ltd., Kolkata
- v) Birds Jute Exports Ltd., Kolkata
- vi) National Jute Manufacturers Corporation, Kolkata
- vii) Handicrafts and Handlooms Export Corporation
- viii) Central Cottage Industries Corporation, New Delhi.
- ix) National Handloom Development Corporation Ltd., Lucknow.

#### **TEXTILE RESEARCH ASSOCIATIONS**

- i) Ahmedabad Textile Industry Research Association(ATIRA), Ahmedabad
- ii) Bombay Textile Research Association(BTRA), Mumbai
- iii) South India Textile Research Association(SITRA), Coimbatore
- iv) Northern India Textile Research Association(NITRA), Ghaziabad
- v) Silk and Art Silk Mills Research Association(SASMIRA), Mumbai
- vi) Man-made Textile Research Association(MANTRA), Surat
- vii) Indian Jute Industries Research Association(IJIRA), Kolkata
- viii) Wool Research Association, Thane

#### **EXPORT PROMOTION COUNCILS**

- i) Handloom Export Promotion Council, Chennai
- ii) Apparel Export Promotion Council, New Delhi
- iii) Cotton Textile Export Promotion council, Mumbai
- iv) The Synthetic and Rayon Textiles Export Promotion Council, Mumbai
- v) Indian Silk Export Promotion Council, Mumbai
- vi) Wool and Woollens Export Promotion Council, New Delhi
- vii) Carpet Export Promotion Council, New Delhi
- viii) Export Promotion Council for Handicrafts , New Delhi
- ix) Powerloom Development & Export Promotion Council

#### **ADVISORY BODIES**

- i) Development Council for Textile Industry
- ii) Cotton Advisory Board
- iii) Jute Advisory Board
- iv) Coordination Council for Textile Research Association



- v) All India Handloom Board
- vi) All India Handicrafts Board
- vii) All India Powerloom Board
- viii) Advisory Committee under Handlooms (Reservation of Articles for production Act) 1985

#### **AUTONOMOUS BODIES.**

- i) Central Wool Development Board
- ii) National Institute of Fashion Technology
- iii) Sardar Vallabhbhai Patel Institute of Textiles Management, Coimbatore.

#### **STATUTORY BODIES**

- i) Commissioner of Payments, New Delhi
- ii) Textiles Committee, Mumbai
- iii) Jute Manufacturers Development Council, Kolkata
- iv) Central Silk Board, Bangalore

#### **MAJOR SCHEMES**

Technology Upgradation Fund Scheme (TUFS), Textile Workers' Rehabilitation Fund Scheme (TWRFS), Scheme for Integrated Textiles Parks (SITP), Technology Mission on Cotton (TMC), Schemes for Development of Handlooms, Schemes For Development of Handicrafts, Schemes For Development of Sericulture, Wool, Powerloom, Jute Technology Mission etc.

#### **HIGHLIGHTS OF GROWTH OF TEXTILE SECTOR**

At present textile sector contributes about 14% to industrial production and about 15% to the country's export earnings.

##### **Production of Cloth**

The cloth production during 2006-07 was 53,389 mn. sq. mtr. The sector-wise compound annual growth rate during the last five years works out to 6.20%. The total production of cloth by all sectors i.e. mill, power loom, handloom, hosiery and khadi, wool and silk is anticipated to be 57,491 million sq. mtrs, during 2007-2008. During April-December 2007 production of cloth was 41,203 mn. sq. mtr. (Provisional), compared to 39,860 mn. sq. mtr. during same period of the previous year.

##### **Per Capita availability of Cloth**

The satisfactory performance in cloth production has resulted in favorable per capita domestic availability of cloth in the country. The per capita availability of cloth during 2006-07 was 40.20 sq.mtrs, compared to 36.10 during the previous year.

## Textile exports

The textile products continue to hold an important role in the Indian exports. The latest status of exports of textiles from the country are given in the Table below (Table 1.1).

**Table 1.1**

Sl. No.	Item	2004-05		2005-06		2006-07		April- Oct.'06		April- Oct.'07 [P]	
		Rs. Crore	US \$ Million	Rs. Crore	US \$ Million	Rs. Crore	US \$ Million	Rs. Crore	US \$ Million	Rs. Crore	US \$ Million
(i)	Ready made Garments	29481.22	6561.37	38153.73	8617.74	39342.90	8687.86	22954.81	5021.49	19978.38	4910.60
(ii)	Cotton Textiles	15924.43	3544.16	20369.28	4600.78	24819.54	5480.75	12917.52	2825.78	11457.72	2816.26
(iii)	Manmade Textiles	9214.25	2050.73	9029.90	2039.57	10684.16	2359.32	6092.12	1332.69	6875.33	1689.93
(iv)	Wool & Woollen Textiles	313.56	69.79	377.59	85.29	379.28	83.76	228.13	49.90	196.41	48.28
(v)	Silk	1819.81	405.02	1915.08	432.56	1955.62	431.85	1167.81	255.47	883.83	217.24
<b>1</b>	<b>Textiles (i-v)</b>	<b>56753.27</b>	<b>12631.07</b>	<b>69845.58</b>	<b>15775.93</b>	<b>77181.50</b>	<b>17043.54</b>	<b>43360.39</b>	<b>9485.33</b>	<b>39391.67</b>	<b>9682.30</b>
<b>2</b>	<b>Handicrafts</b>	<b>4555.37</b>	<b>1013.85</b>	<b>5819.89</b>	<b>1314.53</b>	<b>5697.64</b>	<b>1258.18</b>	<b>3685.92</b>	<b>806.32</b>	<b>2926.04</b>	<b>719.21</b>
<b>3</b>	<b>Coir &amp; Coir Manufactures</b>	<b>474.29</b>	<b>105.56</b>	<b>590.37</b>	<b>133.35</b>	<b>707.61</b>	<b>156.26</b>	<b>368.98</b>	<b>80.72</b>	<b>375.22</b>	<b>92.23</b>
<b>4</b>	<b>Jute Goods</b>	<b>1241.25</b>	<b>276.25</b>	<b>1311.63</b>	<b>296.26</b>	<b>1165.28</b>	<b>257.32</b>	<b>808.88</b>	<b>176.95</b>	<b>728.29</b>	<b>179.01</b>
	<b>Grand Total</b>	<b>63024.18</b>	<b>14026.72</b>	<b>77567.47</b>	<b>17520.07</b>	<b>84752.02</b>	<b>18715.29</b>	<b>48224.17</b>	<b>10549.31</b>	<b>43421.22</b>	<b>10672.75</b>

*P - Provisional*

Source: Foreign Trade Statistics of India (Principal Commodities & Countries) DGCIS, Kolkata.

The Textile exports recorded a substantial growth of 24.9% (in US\$ terms) in year 2005-06. However, there is only nominal increase in the textile export (6.82%) in the year 2006-07. During the period April – October 2007, textile exports were US\$ 10672.75 million, recording an increase of 1.17% as compared to the corresponding period of previous year.

**Chapter II**  
**Statement of Outlays and Outcomes/Targets (2008-09)**

(Rs. In crore)

S. No.	Name of the Scheme/ Programme.	Objective/Outcome	Outlay 2008-09			Quantifiable/ Deliverables/ Physical Outputs	Projected Outcome	Processes/T imelines	Remarks/Risk Factors
			4 (i)	4 (ii)	4 (iii)				
			Non-Plan	Plan	Comple mentary Extra Budgetary Resources				
1	2	3	4			5	6	7	8
<b>1</b>	<b>Secretariat – Economic Services</b>	The Ministry is responsible for policy formulation, planning and trade regulations of the Textile Industry	<b>10.00</b>						Administrative Expenditure
<b>2</b>	<b>Integrated Handloom Development Scheme Components:</b>	i. Focus on formation of weavers group as a visible entity. ii. To develop the handloom Weavers Groups to become self-sustainable. iii. Inclusive approach to cover weavers both within and outside the Co-operative fold, iv. Skill up-gradation of handloom weavers/ workers to produce diversified products with improved quality to the meet the market requirements,		<b>125.00</b>		3,10,000 Weavers		3 years	Scheme was approved on 26 <sup>th</sup> November, 2007.

S. No.	Name of the Scheme/ Programme.	Objective/Outcome	Outlay 2008-09			Quantifiable/ Deliverables/ Physical Outputs	Projected Outcome	Processes/T imelines	Remarks/Risk Factors
		v. provide suitable workplace to weavers to enable them to produce quality products with improved productivity, vi. holistic and flexible intervention to provide need based inputs specific to each cluster, vii. Market orientation by associating entrepreneurs and professionals for marketing, design and Managing the production, and viii. facilitate process of credit from financial institutions / banks.							
	i. Development of Cluster	To develop handloom cluster in an inclusive holistic, sustainable and self reliant manner facilitate collectivization of handloom weavers				50,000 Weavers  100 clusters			

S. No.	Name of the Scheme/ Programme.	Objective/Outcome	Outlay 2008-09			Quantifiable/ Deliverables/ Physical Outputs	Projected Outcome	Processes/T imelines	Remarks/Risk Factors
	ii. Groups	The Scheme aims at taking care of a wide gamut of activities such as basic inputs, like looms and accessories, working capital loans, product development infrastructure support institutional support, supply of equipments, design development and marketing support both at micro and macro levels to the handloom agencies				60,.000 weavers		3 years	
	iii. Marketing Incentive	-do-				2,00,000 weavers		3 years	
	iv. Re-structuring of Handloom organizations	-do-				One Handloom Organisation		3 years	
<b>3.</b>	<b>Marketing &amp; Export Promotion Scheme</b>			<b>50.00</b>		5.58 lakh weavers			
	<b>Components</b>								
	i. Marketing Promotion	(i) To assist in increasing the sales of handloom goods in the domestic market by organizing Handloom Expos, District Level Events and Craft Melas,				35 National /Spl Expos	35 National /Spl Expos	One year	

S. No.	Name of the Scheme/ Programme.	Objective/Outcome	Outlay 2008-09			Quantifiable/ Deliverables/ Physical Outputs	Projected Outcome	Processes/T imelines	Remarks/Risk Factors
		(ii) To provide permanent marketing infrastructure support to handloom agencies in major cities and towns in the form of Urban Haats and Handloom Complexes (iii) to give publicity and promote awareness about the handloom sector and (iv) To establish a brand identity for handlooms at the national and international levels through handloom Mark (v) To assist the handloom agencies in publicity and internal marketing of their products through publicity related activities and participation in international Exhibition, Buyer-Seller Met etc. And				300 District Level Events  7 Crafts Melas  01 National Award  1 Master Creation Programme.  2. Appropriate Technology Exhibitions  Geographical Indication  1 Marketing Complex 15 Export Projects per year  10 International Fairs/ Exhibitions /Buyer Seller Meets  1 Design Studio   01 Urban Haats	300 District Level Events  7 Crafts Melas  01 National Award  1 Master Creation Programme. 2. Appropriate Technology Exhibitions  110 Projects  1 Marketing Complex 15 Export Projects per year  10 International Fairs/ Exhibitions /BSM  1 Design Studio   National H/l Expo	One year  One year  One year  One year  Five Year  18 months  One year   One Year	

S. No.	Name of the Scheme/ Programme.	Objective/Outcome	Outlay 2008-09			Quantifiable/ Deliverables/ Physical Outputs	Projected Outcome	Processes/ Timelines	Remarks/Risk Factors
		(vi) To make available to the exporters the latest international designs, color forecasts, trends etc.				01 Urban Haats  01 Marketing Complex	05 Spl.H/1 Expos (National Level)  05 Spl. H/1 Expos (Regional Level)  10 Spl. H/1 Expos (State level)  300 District level events  10 Crafts Melas  01 National Award  01 Urban Haats  Publicity & Awareness 01 Marketing Complex	18 Months  18 months	

S. No.	Name of the Scheme/ Programme.	Objective/Outcome	Outlay 2008-09			Quantifiable/ Deliverables/ Physical Outputs	Projected Outcome	Processes/ Timelines	Remarks/Risk Factors
4.	<b>Handloom Weavers Comprehensive Welfare Scheme</b>  <b>Components:</b>			<b>120.00</b>					
	i. Health Insurance Scheme	To provide medical insurance to Handloom Weavers				17.43 Lakh Weavers	17.43 Lakh Weavers	One year	
	ii. Mahatma Gandhi Bunkar Bima Yojana	To provide Life Insurance cover to the Handloom Weavers				4.50 lakh Weavers	4.50 lakh Weavers	One year	
5.	<b>Weavers Service Centre</b>	25 Weaver' Service Centers play a vital role in conducting research and development, in imparting training to weavers to up-grade their skill and increase their productivity.	<b>19.00</b>						The provision is for establishment related expenditure.
6.	<b>Mill Gate Price Scheme</b>	To provide all types of yarn to handloom weavers through NHDC		<b>25.00</b>		525 lac kg of yarn to be supplied	525 lac kgs of yarn to be supplied	One year	
7.	<b>Scheme for reimbursement of one time rebate @ 10% given by the handloom agencies on sale of handloom cloth</b>	The scheme envisages reimbursement of 10% rebate to National/ State Level Handloom Corporations / Apex Societies on sale of accumulated handloom cloth.	<b>39.40</b>						



S. No.	Name of the Scheme/ Programme.	Objective/Outcome	Outlay 2008-09			Quantifiable/ Deliverables/ Physical Outputs	Projected Outcome	Processes/ Timelines	Remarks/Risk Factors
				20.00					
<b>8.</b>	<b>Deversified Handloom Scheme</b>			<b>20.00</b>					
	<b>Components</b>								
	Design Exhibition-cum-Dyeing Workshops	To extend assistance and disseminate information on dyeing and design aspects and create awareness about the Government initiatives for the Handloom sector among the Handloom weaver				To conduct 250 Nos. of Design exhibition – cum-dyeing workshops through WSCs	250 Nos. of workshops		
	Identity Cards	To ensure that genuine weavers get benefits of various Govt. Schemes				All the handloom weavers across the country will be covered		18 Months	
	<b>Other Schemes of Handloom</b>		<b>11.92</b>						Administrative Expenses
	<b>Handicraft Industry</b>								
<b>9.</b>	<b>Training and Extension</b>	The main objective of the scheme is to enhance the capacity building of artisans, NGO etc., and to meet the administrative expenditure of departmental training centers.	<b>24.50</b>						











S. No.	Name of the Scheme/ Programme.	Objective/Outcome	Outlay 2008-09			Quantifiable/ Deliverables/ Physical Outputs	Projected Outcome	Processes/T imelines	Remarks/Risk Factors
			10.00	32.25					
24.	<b>Assistance to National Institute of Fashion Technology (NIFT)</b>	NIFT offers various full time diploma and part-time certificate programme to develop professionals for Fashion Industry. The provision is for construction of building etc.,	10.00	32.25		Building renovation and providing academic infrastructure in new center at Raibarely.			Non Plan provision is for Administrative Expenses  Constructions depends upon availability of Land & statutory clearance
25.	<b>Research and Development</b>	To provide support to research institutions to conduct research in the textile area		2.00			The textile research associations will be able to research work in the textile sector in the area of product development, process control, chemical processing machinery development, energy conservation instrumentation and finance and productivity.	Ministry Sponsored projects	No risk
26.	<b>Textile Labour Rehabilitation Scheme</b>	The scheme was launched with the objective of providing interim relief to textile workers rendered unemployed due to permanent closure of any particular portion of, or the entire textile unit.	40.00			To provide interim relief to nearly 3000 textile workers	It will enable workers to settle in another employment		Payment through bank accounts. No risk factor involved.





S. No.	Name of the Scheme/ Programme.	Objective/Outcome	Outlay 2008-09			Quantifiable/ Deliverables/ Physical Outputs	Projected Outcome	Processes/T imelines	Remarks/Risk Factors
30.	<b>Procurement of Cotton by Cotton Corporation of India under Price Support</b>	To protect the interest of the cotton growers, the government of India announces Minimum Support Prices (MSP) of kapas (Seed Cotton)	<b>149.00</b>			Whenever the market price of kapas falls below / touches the Minimum Support Price (MSP), Cotton Corporation of India is mandate to undertake support price operation and purchases kapas at MSP without any quantitative limit.	To protect the interest of cotton growers.		Reimbursement is to be made to CCI after the submission of audited accounts.
31.	<b>Assistance to AEPC</b>	Provision is for implementation of projects and expenses of quota administering authorities for residual work.	<b>1.00</b>						
32.	<b>Scheme for Integrated Textile Parks.</b>	To develop 30 textile parks entailing an investment of Rs. 18,500 crore and to generate half a million employment		<b>450.00</b>		For completion of 30 on-going SITP projects.		Two years from date of sanction.	
33.	<b>Other Programmes of Textiles</b>	Assistance to Sardar Vallabhbhai Patel Institute of Textiles Management, Brand Promotion, Foreign Investment Promotion Scheme, Textipolis, Fashion Hub, Common Compliance Code, Textile Engineering and Technical Textiles	<b>5.84</b>	<b>34.75</b>					Non Plan provision is for Administrative Expenses and plan provision for building works.

S. No.	Name of the Scheme/ Programme.	Objective/Outcome	Outlay 2008-09			Quantifiable/ Deliverables/ Physical Outputs	Projected Outcome	Processes/T imelines	Remarks/Risk Factors
34.	<b>Jute Commissioner</b>	For Office and Administrative expenses etc of Jute Commissioner Office	<b>2.70</b>						
35.	<b>Subsidy to Jute Corporation of India for Market Support Operation</b>	To support JCI to conduct MSP operations	<b>30.00</b>						Non Plan provision is for meeting the cost of JCI infrastructure and MSP losses
36.	<b>Jute Technology Mission</b>	To Modernize the jute sector, focus on adoption of more resource efficient and energy efficient technology, training for manpower in Jute Sector, development of market yards, dissemination of better retting techniques etc.		<b>80.00</b>					
37.	<b>Other Programme of Jute</b>	To support Research Orgainsations in Jute	<b>2.50</b>						Non Plan provision is for Administrative Expenses of IJIRA.
38.	<b>Loans to Public Sector Undertakings</b>	To settle liabilities of NJMC and execute modernization/revival plan and loan to NTC, Elgin Mills Ltd., Birds Jute Exports Ltd., BIC	<b>240.48</b>						

## CHAPTER III

### Reform measures and Policy initiatives

Initially, the Technology Upgradation Fund Scheme was upto March 31, 2004 and it was extended till March 31, 2007. Due to overwhelming response from the industry, the Government decided to extend the scheme during the XIth Five Year Plan and reframed some of the financial and operational parameters in respect of new loans. In the Xth Five Year Plan (2002-07), Rs. 1,270 crores was earmarked for the scheme. However, the net utilization of funds was Rs. 2,044.17 crores. The modified techno-financial parameters of the scheme will infuse capital investment into the textiles sector, and help it capitalize on the vibrant and expanding global and domestic markets, through technology upgradation, cost effectiveness, quality production, efficiency and global competitiveness. It is estimated that this will ensure a growth rate of 16% in the sector.

The public private partnership model for the growth of the sector got greater impetus with the scheme of Integrated Textile Parks under which 30 parks were approved to be set up through Special Purpose Vehicles (SPVs) of industry associations/group of entrepreneurs. The estimated cost for common infrastructure and common facilities is Rs. 2893.43 crores, of which Govt. of India assistance is going to be Rs. 1054.76 crores. 2186 entrepreneurs are expected to put up their units in these parks. These parks are expected to provide employment to 5.45 lakh people (2.02 lakh direct and 3.43 lakh indirect), attract investment of Rs. 15,258 crore and generate annual production of Rs. 14,024 crore. These parks are expected to be developed by March' 2009.

In order to develop the handloom sector in a transparent and holistic manner, a cluster approach has been adopted from the year 2005-06 onwards. Government expanded the cluster development programme to 100 additional clusters for their integrated and holistic development and also got conducted diagnostic study of these clusters. These clusters alongwith other additional clusters will be taken up for development under the new "Integrated Handloom Development Scheme." The Handloom Mark, launched by Dr. Manmohan Singh, Hon'ble Prime Minister of India on 28<sup>th</sup> June, 2006, has been a huge success. Till the end of December, 2007, 64.48 lakh handloom mark labels have been sold to the 3275 stakeholders. 544 handloom showrooms are selling Handloom products bearing handloom mark label.

Measures have been initiated for protection of handloom items like Banarasi brocades, Jamdani of Bengal etc., under the Geographical Indications of Goods (Registration and Protection) Act, 1999. So far sanction to register 20 items have been issued under the Act.

For the handicraft sector, some of the new initiatives included the facility centre for exporters and entrepreneurs in the Public Private Partnership (PPP) mode on build, own and operate model with govt. meeting 40% of the total cost of setting up

the centre with maximum investment of Rs. 24 lakhs. The other major initiative pertained to flow of smooth credit to the artisans with guarantee being provided by the Credit Guarantee Fund Trust for Small Industries (CG-TSI) with guarantee fee being provided by DC (handicrafts). Another new initiative is to implement projects of Ambedkar Hastshilp Vikas Yojana with a definite business model specifying the inputs and the final deliverables after studying the growth pattern of artisans clusters, emphasizing the backward and forward linkages, devising systems for measuring the performance and monitoring thereof. 39 clusters having potential of producing export oriented goods on a definite supply chain mechanism have been identified. On the pattern of health insurance for the weavers a scheme for health insurance of artisans was also started during 2006-07. The scheme provides for higher subsidy in premium in respect of artisans of SC, ST and BPL families.

In the Wool Sector, a project in public private partnership mode was approved for setting up processing and finishing facilities for shawl manufacturers at Ludhiana in Punjab.

In the Jute Sector, the Jute Technology Mission was started during the year 2006-07 with Mini Missions III & IV being implemented by the Ministry. The focus of the mission is on improvement of the yield and quality of Jute Fibre, establishing market infrastructure, storage godowns, developing prototypes of machinery with private sector involvement, development of human resources for the jute industry etc.

The new initiatives taken during 2007-08 are as under:

- a. Foreign Investment Promotion Scheme is to attract foreign direct investment in textiles, clothing and machinery. In the background of high potential of the textile sector, the scheme aims at attracting investments through market studies of source countries and potential investors; restructuring institutional arrangement for smooth FDI flow and developing targeted strategy.
- b.** Brand Promotion Scheme, which is based on Public-Private Partnership (PPP) approach, is to develop globally acceptable Indian apparel brands. The scheme is meant for promotional programmes in the selected targeted markets of the world. The scheme envisages publicity material through electronic and print media campaigns; arranging India focus shows and exhibitions; capacity building through training of entrepreneurs in export measures etc.,
- c. Textilpolis is to act as trade facilitation Center for Indian image branding, Research and Development. The scheme is for setting up exhibition and seller interaction center and common data resource center which inter-alia includes export infrastructure and marketing infrastructure like global procurement center, international merchandise center, single window center for regulatory services, center for brand administration, and fashion development.

- d. Fashion Hub is for providing an interface among stakeholders in textile industry such as exporters, importers and buyers, by creating a permanent market place for the Indian fashion industry.
- e. 'Common Code of Conduct' or 'Compliance Code' is for acceptability by majority of apparel buyers. In the present international merchandise with a multilateral restraint free and highly competitive milieu, non-tariff barriers like environmental and social standards have assumed commercial significance towards base minimal as well as high end products in major markets of EU, USA etc. The Scheme is for development, codification and awareness of such social and environmental compliance code by the manufacturing units in the country so as to widen and deepen the international market share.
- f. Emphasis on Human Resource Development involves setting up of Training Centers in Public Private Partnership (PPP) mode. The Scheme is aimed at bridging the gap between training needs of textile industry with that of existing infrastructure of training institutes. The scheme is for setting up new centers, upgrading the existing centers, development of course design & materials, standardization of curriculum, development of trainers' pool etc.

## CHAPTER-IV

### HANDLOOM

The handloom sector plays a very important role in the country's economy. It is the second largest sector in terms of employment, next only to agriculture. As per the Joint Census of Handlooms & Powerlooms 1995-96, 65.51 lakh persons are engaged in weaving and associated activities in handloom sector. Due to effective state intervention through financial assistance for the development and welfare of this sector, the persons engaged in handloom weaving and allied activities have been able to earn their livelihood. As a result of these measures the production of handloom fabrics has gone up to 6871 (anticipated) million sq. meters during 2006-2007 from the level of 500 million sq. meters in the early fifties. This sector accounts for about 13% of the total cloth produced in the country (excluding wool, silk and Khadi).

#### **Schemes for the Handloom Weavers.**

Office of the Development Commissioner for Handlooms has been implementing the following schemes for the development of the handlooms sector and welfare of handloom weavers:

#### **Integrated Handlooms Development Scheme:**

The Integrated Handlooms Cluster Development Scheme was launched in 2005-06 for comprehensive and holistic development of 20 selected handloom clusters, each having about 5000 looms. The action plan approved by the Apex Committee for the year 2007-08 is under implementation. Some of the highlights of the achievements of these clusters till October 2007 are as follows:

- 792 Self Help Groups formed, covering 9830 weavers.
- Wage enhancement of weavers by Rs 300 per month at Varanasi and Bhagalpur cluster.
- 322 awareness camps organized involving 35800 weavers from the cluster pockets.
- 4500 weavers registered under Insurance Scheme.
- Credit linkages for 600 weavers with banks –Rs 37.75 lakhs credit disbursed
- 46 dyers workshop organized with participant of 1300 dyers leading to improvement in dyeing technology.
- 55 exhibition and 46 buyer seller meets organized with total sales realization of Rs 6.00 crores.

- 20 export procedure training program were organized with active involvement of Indian Institute of Foreign Trade and Handloom Export Promotion Council, New Delhi
- 725 new designs and product introduced
- 17 managerial Training organized for office bearers of consortium and local institutions
- Establishment of 34 yarn Depot, total indent received by NHDC was Rs 79 lakhs
- Showroom and display Arrangements -2
- Product Catalogue developed by 20 cluster
- Product enquiries received from 232 buyers and exporters, retailers and buying houses
- 950 traditional looms upgraded by replacement of reels and heads
- CFC & Dye –Proposal for 9 Common Facility Center (CFC) and 16 Dye houses cleared by ministry as common facility center fro the weavers

During the year 2006-07, the Government identified additional 100 handloom clusters for their integrated and holistic development. These clusters will be developed in a time frame of about three years. Diagnostic study of these clusters has already been completed. During the year 2006-07, a sum of Rs.5.37 crore and during 2007-08 a sum of Rs.1.03 crore has been released under the Integrated Handloom Cluster Development Scheme upto 07.12.2007..

**Further during the XI Plan, a new scheme called “Integrated Handlooms Development Scheme”** is being implemented as a Centrally Sponsored Plan Scheme for the development of handloom sector and welfare of Handlooms weavers by amalgamating, with or without modifications, the essential components of four schemes: the Deen Dayal Hathkargha Protsahan Yojana (DDHPY); the Integrated Handlooms Training Project; the Workshed-cum-Housing Scheme and the Integrated Handlooms Cluster Development Scheme that were being implemented during the X Plan. The *scheme aims to* focus on formation of weavers group as a visible entity, develop the handloom Weavers Groups to become self –sustainable, inclusive approach to cover weavers both within and outside the Co-operative fold, skill up-gradation of handloom weavers/workers to produce diversified products with improved quality to meet the market requirements, provide suitable workplace to weavers to enable them to produce a quality products with improved productivity etc. Under the scheme, cluster of about 300 – 500 looms will be taken up for development in a time frame of 3 years at an upper cost of Rs.60.00 lakh per cluster. It is proposed to take up about 625 clusters during the XI Plan.

## **Handloom Weavers' Comprehensive Welfare Scheme**

During the 2005-06 and 2006-07 the Government of India was implementing two separate schemes namely the 'Health Insurance Scheme' for providing health care facilities to the handlooms weavers in the country and the 'Mahatma Gandhi Bunkar Bima Yojana' for providing Life Insurance Cover to the handloom weavers in case of natural / accidental death, total / partial disability due to accident. During the 11<sup>th</sup> plan, both schemes have been amalgamated into one scheme namely **Handloom Weavers' Comprehensive Welfare Scheme**. The BE for 2007-08 is as under.

i) Health Insurance Scheme	-	Rs.114.00 Crore
ii) Mahatma Gandhi B.B.Y.	-	Rs. 15.00 Crore
iii) Other Charges	-	Rs. 1.00 Crore
<b>Total</b>	-	<b>Rs.130.00 Crore</b>

The details of the scheme are as under.

### **(i) The Health Insurance Scheme:**

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

The Health Insurance Scheme covers not only the weaver but his wife and two children also. 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 under the scheme. The scheme covers all pre-existing diseases as well as new diseases and a substantial provision has been kept for OPD. The annual limit per family is Rs. 15,000/- out of which OPD cover will be Rs., 7500/-.

The BE for 2007-08 under the Health Insurance Scheme is Rs. 114.00 crore out of which a sum of Rs. 102.60 crore has been released to the ICICI Lombard General Insurance Company Ltd. upto February, 2008 towards Central Government share of premium for coverage of 15.96 lakh weavers including those from the North Eastern Region. During the complete year (2007-08), 17.74 lakh weavers are expected to be covered under the scheme and 9.81 lakh weavers have been covered upto January 2008.

### **(ii) Mahatma Gandhi Bunkar Bima Yojana**

The Mahatma Gandhi Bunkar Bima Yojana is being implemented through the Life Insurance Corporation of India at an annual premium of Rs.330/- p.a. covering natural death / accidental death, total / partial disability due to accident.

The annual premium during the 11<sup>th</sup> plan has been kept at the level of the X Plan but the benefits under the Mahatma Gandhi Bunkar Bima Yojana have been substantially increased during the 11<sup>th</sup> Plan as compared to those that existed during the 10<sup>th</sup> plan, as per the details given below at Table 4.1:



(Table 4.1)

S. No.		Benefits during the 10 <sup>th</sup> plan	Benefits from 1.10.07
(i)	Natural Death	Rs. 50,000/-	Rs. 60,000/-
(ii)	Accidental Death	Rs. 80,000/-	Rs. 1,50,000/-
(iii)	Total Disability	Rs. 50,000/-	Rs. 1,50,000/-
(iv)	Partial Disability	Rs. 25,000/-	Rs. 75,000/-

The scholarship benefits available under the Mahatma Gandhi Bunkar Bima Yojana during the X Plan are being continued in the XIth Plan also. A scholarship of Rs.300/- per quarter per child is available to 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.

The BE for 2007-08 under the Mahatma Gandhi Bunkar Bima Yojana is Rs.15.00 Crore and a sum of Rs.2.98 Crore has been released upto 31.12. 2007 under the scheme. During 2007-08, 10 Lakh weavers are expected to be covered under the Mahatma Gandhi Bunkar Bima Yojana, 80739 weavers have already been covered from April to November, 2007.

### **Mill Gate Price Scheme**

The scheme was introduced in 1992-93, to provide all type of yarn to the handloom weavers' organizations at the Mill Gate Price. The National Handloom Development Corporation (NHDC), a public sector undertaking, is the only agency authorized to implement the scheme. The scheme provides benefit to the following organizations and their member weavers:

- All Handlooms organization of National/State/Regional/Primary handloom level.
- Handlooms Development Centre.
- Handlooms producers/exporters/manufacturers registered with HEPC/ any other export promotion council under Ministry of Textiles/Director of Industries/Handloom of State/Union Territories.
- All approved handlooms export houses/trading houses/star trading houses.
- Member of recognized/approved Handlooms Associations.
- NGOs fulfilling CAPART norms.
- Any other agency approved by the Office of the Development Commissioner (Handlooms).

All types of yarn required for production of handloom items are covered under the scheme. The yarn is being arranged by NHDC from the mills as per the requirement of the user agencies and transported to the godown of the agency. There is also a provision for supply of yarn to the individual weavers through the yarn depots approved by the NHDC. 622 yarn depots have been established throughout the country till 20.11.2007.

The expenditure for operating the yarn depot is to be reimbursed by the NHDC @2 ½ % of the value of the yarn.

Under the Mill Gate Price Scheme, following assistance is provided by the Government of India as per rates mentioned below:

- (i) Freight reimbursement for transportation of yarn.
- (ii) Expenses of operating the yarn depots @ 2.5%, based on actuals.
- (iii) Service Charges to NHDC for its role as nodal agency for the implementation of the Mill Gate Price Scheme.

The publicity of the scheme, which is a part of the scheme, through newspapers, distribution of pamphlets and hand bills, pasting of posters, wall paintings and buyer-sellers meets, etc., is done by National Handloom Development Corporation, the expenses of which is reimbursed by the Office of the Development Commissioner for Handlooms.

During 2002-07 (up to December, 2007), Rs.6434.91 lakhs had been released to NHDC under this scheme. The year wise details of releases are at Table 4.2

**Table 4.2**

<b>Year</b>	<b>Amount (Rs. in lakhs)</b>
2002-03	800.00
2003-04	1200.00
2004-05	1150.00
2005-06	738.77
2006-07	1200.00
2007-08(upto 31.12.07)	1346.14

### **Diversified Handloom Development Scheme(DHDS)**

The “Diversified Handloom Development Scheme(DHDS)” is being implemented during the 11<sup>th</sup> Five Year Plan. The scheme envisages skill upgradation of the handloom weavers through training workshops and exhibitions, design development, documentation of traditional designs and providing linkage and meeting the market requirements. The components of the scheme are as follows:

- i) Strengthening of Weavers Service Centre / Indian Institutes of Handloom Technology.
- ii) Setting up of New WSCs/ IIHTs.
- iii) National Centre for Textile Design(NCTD).
- iv) Research & Development (R&D).
- v) Conducting Third Census and Issue of Identity cards to Handloom weavers.

### **Weavers’ Service Centre (WSC)**

At present, 25 Weavers’ Service Centres are functioning under the Office of the Development Commissioner for Handlooms, and are playing a vital role in conducting

research and development activities, in training of weavers, in upgrading their skill and increasing their productivity. They have evolved new designs and revised traditional designs. WSCs primarily render extension services, which involve transfer of design inputs, skills and technology to the weavers.

### **Indian Institutes of Handloom Technology (IIHT)**

The Indian Institutes of Handloom Technology provide qualified and trained manpower to the handloom sector and undertake experimental research programmes on all aspects related to handlooms industry. There are four IIHTs at Varanasi, Guwahati, Salem and Jodhpur in the Central Sector and three IIHTs at Venkatagiri (AP), Gadag (Karnataka) and Champa(Chattishgarh) in the State Sector. The IIHT at Bargarh(Orissa) is being set up.

### **Design Exhibition-cum-Dyeing Workshop**

WSCs have been organizing Design Exhibition-cum-Dyeing Workshop since 1995-96 to create awareness in the weavers' clusters about the services available, and impart training in dyeing techniques and design development. The Design Exhibition-cum-Dyeing Workshop are regularly organized in the handloom clusters by Weavers Service Centres to provide and propagate modern dyeing techniques besides making available designs at the doorsteps of the weavers.

During 2006-07, 226 Design Exhibition-cum-Dyeing Workshops were conducted. During 2007-08, it is targeted to conduct 250 Design Exhibition- cum-Dyeing Workshops.

### **Third Handloom Census and issue of Identity Cards to Handloom Weavers.**

The last Census was undertaken about eleven years ago . Since then a lot of changes have taken place in the sector and the data regarding number of weavers ,number of looms , cloth production and employment in the handloom sector needs to be updated. It is therefore decided to conduct third Handloom Census and to issue identity cards to handloom weavers enumerated during the census operation.

The issue of Identity Cards to the Handloom weavers will ensure that only genuine weavers should get the benefits of the various schemes being implemented by this office for their growth and sustained development, in a hassle free manner.

The entire work is scheduled to be completed during a period of 18 months at the total tentative cost of Rs.20.00 Crore (including Rs.4.50 Crore for Identity Cards).

### **Marketing & Export Promotion Scheme.**

The Marketing and Export Promotion Scheme is the amalgamation of the existing Marketing Promotion and Handloom Export Promotion scheme of the X Plan with

some new components incorporated The Marketing promotion components consists of the following components:

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

The Handloom Export Promotion components consists of the following components:

- i. Export Project
- ii. International Fairs & Exhibitions
- iii. Setting up of Design Studios
- iv. Miscellaneous promotional events / activities.

Under the Marketing and Export Promotion Scheme, new components like Geographical Indication Act, Handloom Marketing Complex, Janpath, New Delhi., Design Studios and miscellaneous promotional activities/events have been added.

During the year 2007-08, under Marketing Promotion component, a target of 10 National Expos, 25 Special expos, 300 District Level Events, 7 Craft melas, 4 Urban Haats and one Marketing complex has been proposed. Besides activities under Handloom mark, coverage of handloom items under Geographical Indications Act etc. will also be undertaken. For all these activities a provision of Rs.30.00 crores ( B.E.) has been kept. The beneficiaries to be covered under expos and District Level Events would be about 5.58 lakh weavers. A target of 15 Export Projects, participation in 10 International fairs / exhibitions, setting up of 1 Design studio has been proposed under the Handloom Export Promotion component besides other promotional activities to boost exports. An outlay of Rs.5.00 crore ( B.E.) has been kept for assistance under this component. By the end of December,2007, under the Marketing & Export Promotion Scheme 10 National Handloom Expos, 29 Special Expos, 07 Craft Melas, 01 Master Creation Programme, 173 District Level Events and participation in 05 international exhibitions have been sanctioned . A sum of Rs.9.82 crore has been released which include assistance for setting up of Marketing Complex at Janpath also.

### **Handloom Mark Scheme**

The Handloom Mark Scheme was launched by Dr. Manmohan Singh, Hon'ble Prime Minister on June 28, 2006. Handloom Mark Scheme will serve as a guarantee for the buyer that product being purchased is genuinely hand woven, and provide a distinct identity to the handloom products, both in India and abroad. The Textile Committee is the Implementing Agency for Handloom Mark.

Till the end of December , 2007, 64.48 lakh handloom mark labels have been sold to the 3275 stakeholders. 544 handloom show rooms are selling handloom products bearing handloom mark label.

During 2002-03 to 2006-07 (till December 31, 2006), 57 export projects to various agencies covering 3942 weavers have been sanctioned under the scheme. During the same period, financial assistance for participation in 46 International trade events have also been provided to Handloom Export Promotion Council (HEPC), Association of Corporations & Apex Societies of Handlooms (ACASH) and Handicrafts and Handlooms Export Corporation of India Ltd (HHEC). A sum of Rs. 802.42 lakhs has been released for 57 export projects and Rs. 1165.20 lakhs for participation in 46 International trade events.

A provision of Rs. 26.00 crores has been made to implement the Handloom Export Scheme during the Xth five year plan, of which Rs. 550.00 lakhs has been provided in the Annual Plan 2006-07, which includes the provision for North Eastern States for meeting expenses in respect of fresh export projects and committed liabilities in respect of projects sanctioned in the past. As on December 31, 2006 Rs. 350.43 lakhs has been sanctioned.

## **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.

The Sub Group on handicrafts for the XIth Five Year Plan has expected this employment to reach 80 lakhs by the end of the XIth Five Year Plan which at present is estimated at 67.70 lakhs.

The production during the period 2002-07 has increased from Rs.19,564.52 crores to Rs.38659.45 crores. The exports during the period increased from Rs.10933.67 crores in the year 2002-03 to Rs 20,963 crores at the end of the year 2006-07 registering a cumulative growth 91.74 %, and an annual average growth rate of around 17.72 %.

The Sub-Group on handicrafts recommended six generic schemes for development of handicrafts in the country to be implemented during the 11<sup>th</sup> five year plan. The scheme recommended for implementation during the 11<sup>th</sup> Five Year Plan are as under: -

(a) **BABA SAHEB AMBEDKAR HASTSHILP VIKAS YOJANA SCHEME (AHVY)**

This scheme aims at promoting 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 projectized; need based integrated approach for sustainable handicrafts development through participation of craftpersons leading to their empowerment. The package of support under AHVY can be clubbed under the following components:

- **Social interventions**
- **Technological interventions**
- **Marketing interventions**
- **Financial interventions**
- **Cluster Specific Infrastructure Related Informations.**

### **(b) MARKETING SUPPORT & SERVICES SCHEME**

The main objective of this scheme is to create awareness of Indian handicrafts among the masses by organizing a number of marketing events in big and small cities, to provide financial assistance to State Handicrafts Corporations, Apex Cooperatives and prominent NGOs for opening new Emporia at suitable places to enable the craftpersons to have permanent sales outlets for their products, to popularize and publicize handicrafts sector and to provide services in the form of entrepreneurship. The scheme comprises of following main components:

#### **COMPONENTS**

- Domestic Marketing
- International Marketing
- Publicity

The budget outlay for the year 2007-08 has been fixed at 42.00 crores. Rs.13.92 crores have been released during the current financial year upto Dec. 2007 for the reimbursement of approvals of the projects sanctioned during the last financial year i.e. 2006-07, Autumn Gift Fair, Registration of Carpet Loom, Seminar on Brand image Promotion in Australia & New Zealand & Carpet Expo at Varanasi. In principal approval for organizing 9 craft Bazars are already issued

### **(c) DESIGN & TECHNOLOGY UPGRADATION SCHEME**

The scheme aims at Upgradation of artisans' skills, development of new design and prototypes supply of improved/modern equipments to the craftpersons, revival of rare crafts to preserve the traditional heritage and preservation of traditional art & crafts of high aesthetic value etc. The scheme has been sub divided under following components:

- I. *Skill up-gradation.*
- II. *Assistance for Design and Technology Upgradation.*
- III. *Documentation Preservation and revival of rare and Languishing craft.*
- IV. *National Award for outstanding contribution in Handicrafts Sector.*
- V. *Financial Assistance for Institutions to be set up under State Initiatives.*
- VI. *Setting up of Design Bank.*
- VII *Product Development programme for exporters.*

The scheme has been approved and launched for implementation with budget outlay fixed at 11.00 crores during the current financial year 2007-08. Rs. 8.16 crores have been released during the current financial year upto Dec. 2007 sanctioning fresh design projects/workshops, product promotion programme and reimbursement of projects sanctioned during last financial year i.e. 2006-07.

**(d) RESEARCH & DEVELOPMENT SCHEME**

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, enlarging its scope to include the following components & their salient features, without making any major modification in its parameters.

The scheme has been approved and launched for implementation with budget outlay fixed at 6.00 crores during 2007-08. Rs.0.32 crores have been released during the current financial year upto Dec. 2007 for the reimbursement of the Study projects sanctioned during the Xth Five Year Plan/ last financial year i.e. 2006-07. Three new projects for study have been sanctioned during 2007-08 upto Dec. 2007. Launching of census operations is under way.

**(e) HANDICRAFTS ARTISANS COMPREHENSIVE WELFARE SCHEME.**

The scheme has been included in the 11<sup>th</sup> 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.**

***Objective***

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 childrens.

***Eligibility***

All craft persons whether male of female, between the age group of one day to 80 years will be eligible to be covered under the Rajiv Gandhi Shilpi Swasthya Bima Yojana.

**b. Bima Yojana for Handicrafts Artisans.**

### Objective

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.

### Eligibility

All crafts persons, whether male or female, between the age group of 18-60 years will be eligible to be covered under the BIMA Yojana For Handicrafts Artisans.

The scheme has been approved and launched for implementation with budget outlay fixed at 96.00 crores during the current financial year 2007-08. Rs.63.15 crores out of the total sanctioned amount of 63.15 crores have been released to ICICI Lombard for covering 8.00 lakh artisan families under health insurance during the current financial year. So far during the year 2007-08 upto Dec. 2007 51,919 artisan families covered for health care under Rajiv Gandhi Shilpi Swasthya Bima Yojana and 37,888 artisans covered for life insurance under Bima Yojana.

## **(f) 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. The scheme has following components :

1. *Training Through Established Institutions*
2. *Training in Innovative Designs for the persons involved in Pattern making/Talim writing/Plaster/Rubber Moulds/Block making etc*
3. **Training of Artisans/SHG leaders/NGO in capacity building.**
4. **Conducting Seminars/Workshop**

The scheme has been approved and launched for implementation with budget outlay fixed at 6.00 crores during the current financial year 2007-08. Rs.1.66 crores have been released during the current financial year upto Dec. 2007 for the reimbursement of approvals of the projects sanctioned during the last financial year i.e. 2006-07. 1605 trainees have been trained in different crafts during the year 2007-08

## **EXPORT OF HANDICRAFTS**

The exports of handicrafts, including hand knotted carpets, during the year 2006-07 were Rs 20963 crores (US\$ 4619.20 Million) registering an increase of 19.04 % in Rupee terms and 16.08 % in dollar terms. The main export items which exhibited increase during 2006-07 were carpets (19.23%) Zari and Zari goods (13.08%), Art metalware (12.89%), and Miscellaneous handcrafted goods (5.52%). The export target



for 2007-08 has been fixed at Rs. 25278 crores. During the period April-November 2007 provisional export of handmade carpets & other Floor coverings has shown and decrease in rupee terms by 17.12% and decrease by 6.59% in US \$ term in comparison to the export during April-November 2006. However, the Export of other handicrafts items has shown decrease during the period under report by (-)14.01% in rupee terms and decrease by 3.07% in US \$ terms compared to April –November 2006. The total provisional export of handicrafts including hand knotted carpet during April – December 2007 is estimated at Rs. 12580.74 crores (US \$ 3104.16 millions), whereas the export April – December 2006 was of Rs. 14378.90 crores (US \$ 3142.74 millions) thus showing an decrease of (-) 12.51 % in rupee terms and decrease of 1.23 % in US \$ terms.

*The reason for decrease in export is due to the impact of rupee appreciation, low realization on export proceeds.*

(Table 4.3)

ITEMS	2004-05	2005-06	2006-07	2007-08 (April – Dec.)
<b>A. Carpet &amp; other Floor Coverings</b>				
1. Woolen	2389.82	2844.76	3395.73	1900.49
2. Silk	150.11	181.25	212.47	171.35
3. Synthetic	43.69	56.05	66.66	50.86
<b>Total (A)</b>	<b>2583.62</b>	<b>3082.06</b>	<b>3674.86</b>	<b>2122.70</b>
% (- /+)	-7.06	+19.29	+19.23	
<b>B Other Handicrafts</b>				
1. Art Metalware	537.02	3662.98	4135.06	2704.36
2. Woodwares	1559.67	853.06	1180.02	574.62
3. H.P. Textiles Scarves	2869.42	2053.70	2465.18	1598.25
4. Embroidered & Crocheted	6262.99	4711.45	5860.35	3185.98
5. Shawls as Artware	261.39	110.23	216.82	145.76
6. Zari & Zari goods	53.48	347.05	392.45	230.07
7. Imitation Jewellery	3032.19	274.86	386.09	245.16
8. Misc. Handicrafts	1407.98	2513.52	2652.17	1733.84
<b>Total (B)</b>	<b>15984.14</b>	<b>14526.85</b>	<b>17288.14</b>	<b>10458.04</b>
% (- /+)	+17.92	- 9.1	+19.01	
<b>Grand Total (A+B)</b>	<b>18567.76</b>	<b>17608.91</b>	<b>20963.00</b>	<b>12580.74</b>
% (- /+)	+13.67	-5.2	+19.04	

## DETAILS OF SOCIETIES/ INSTITUTES

*The Indian Institute of Carpet Technology (IICT), Bhadohi.*

IICT, one of its kind in Asia, has been setup to: -

- Conduct B.Tech course in Carpet and Textiles Technology, which is recognized both by AICTE, New Delhi and UP Technical University, Lucknow;
- Conduct Industry driven short-term courses in all relevant areas of the carpet industry;
- Provide testing facilities in yarn composition, fibre blends, colour matching, dyeing, carpet testing, etc;
- Conduct R&D in relevant areas in consultation with industry and also undertake specific consultancy assignments;
- Provide carpet designs, dyeing, carpet testing, etc.;
- Conduct training in CAD, weaving, finishing, dyeing, etc.;

IICT was included in All India Engineering Entrance Examination (AIEEE), from 2004-05 academic session for selection of 60 students every year for admission. It has obtained ISO 9001.2000 certificate. The laboratories of the Institute have got accreditation by the Textile Institute, Manchester (U.K.), National Accreditation Board for Testing and Accreditation Laboratory (NABL). The Distance Education Council (DEC) of IGNOU has given clearance to IICT to run the International Distance Learning Programme at IICT as well as through eligible study centers.

Since the beginning of Academic Session November 2001 IICT Bhadohi the graduates produced by the Institutes have all been absorbed in the Industry through campus selection.

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

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

*Activities*

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

- Common facility services in lacquering, powder coating, silver plating and anodizing and;Blasting, etc., to the Art Metalware industry of Moradabad; Training in finishing technologies for artisans and manufacturers; and Testing facilities for testing various parameters of finishes.

*Bamboo & Cane Development Institute (BCDI), Agartala.*

- Restructured to meet the need and requirement of bamboo industry in the areas of human resources development, technology upgradation, R&D and Common Facility Services;

- The Tripura Handicrafts & Handloom Development Corporation has been assigned Management Consultancy for interim period till Society is formed by State Government to run the affairs of BCDI;
- The Standing Finance Committee as well as Planning Commission has approved the project proposal for upgradation of BCDI at an estimate cost of Rs.14.61 crores;
- The Govt. of Tripura had allotted a land measuring 4.79 acres free of cost for construction of new BCDI Complex at Agartala;
- The construction of the building by the National Building Construction Corporation Ltd. has been completed and possession of the building has been taken over and so far Rs.6.30 crores have been released to the Corpn.
- The Institute activities covers product innovation, skill upgradation and transfer of technology to the artisans under a comprehensive plan, which includes design inputs; and
- The syllabus for training programme for skill upgradation of artisan has been completely restructured and made more broad based and training programme commenced.

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

The NCDPD has been set up as a registered society under Society's Act 1860 with DC (Handicrafts) as a Chairperson and a member of trade as Co-Chairperson. The objective of the center is to meet design and technology related needs of hard goods sector. The NCDPD has been organizing training and design development workshops/projects on various crafts with a focus on exports and providing consultancy services to the exporters and industry.

During the year 2007-08 (upto December 2007), the National Centre for Design and Product Development took-up the following activities:

- Provided Design and Product Development Services to various handicrafts and textile crafts exporters through its team of designers from Philippines and Indian origin. The Products ranging from candles, furniture, fashion and jute bags, metal products, wood products, cushions, photoframes, glass etc. The services were asked by mainly the exporters / manufacturers from Mumbai, Delhi, Moradabad, Kolkata, Noida, Firozabad etc. Total 16 collections developed and 220 designs developed and adopted by the exporters.
- Developed over 480 designs in Stone products, Bamboo luminaries, accessories and furniture, Metal Crafts, Glass decoration, Paper stationery products, Wood furniture accessories, Bidri products, stand designs
- Over 45 students participated in the Short Term Certificate Programmes in Merchandising including Retailing and product development Computer Aided Designing through Photoshop, Corel Draw, 2D and 3D Design tools, Auto cad etc.
- Over 320 craftspersons/ artisans from Assam, Nagaland, Tripura, Rajasthan, West Bengal, Karnataka, Punjab, Uttar Pradesh, Orissa, Himachal Pradesh etc. participated in the NCDPD Design and Product development programmes held across India. Online

database of over 800 designers data profile on the website [www.ncdpd.com](http://www.ncdpd.com) are available online on the website for the information of exporters. The designers are categorized as Product Designers, Ceramic Designers, Textiles Designers, Exhibition Designers, Graphic Designers, and Furniture Designers etc. The online search facility as per the location and product category is very easy to locate the designers.

## **SERICULTURE**

### **CENTRAL SILK BOARD (CSB)**

The Central Silk Board was set up in 1949 for the development of the silk industry. The Board's activities include Research & Technology Development, Seed Maintenance, Development of Sericulture & Silk Industry. The Board extends support to the States in the form of joint projects and development assistance under the plan schemes. For 2007-08, Rs 70.00 crores under plan and Rs 108.00 crores under non-plan has been ear-marked for Central Silk Board (CSB). The provision for the year 2008-09 is Rs. 97.50 crores under Plan and Rs. 114.95 crore under Non-Plan.

### **RESEARCH AND DEVELOPMENT**

1. The Central Silk Board through its main Research & Training Institutes provide R&D and training support for development of Sericulture. The Institutes at Mysore (Karnataka), Berhampore (West Bengal) and Pampore (J&K) deal with mulberry Sericulture. The Institute at Ranchi (Jharkhand) deals with tasar culture and at Ladoigarh, Jorhat (Assam) deals with muga and ericulture. The Regional Sericultural Research Station (RSRS / RTRS) for mulberry and non-mulberry disseminates research findings and tackle the regional field issues of the industry.

2. During 2007-08, 277 research projects are targeted for implementations and out of these 211 are in various stages of implementation, i.e. 152 in mulberry, 48 in non-mulberry and 11 in post cocoon technology.

## **SILKWORM SEED ORGANISATION**

A network of 20 Basic Seed Farms (BSF), under the National Silkworm Seed Organization (NSSO), to produce and supply the basic seed for production of commercial silkworm seed in the 19 Silkworm Seed Production Centres (SSPCs) are functioning under CSB and State Departments. During 2006-07, 19 grainages (SSPCs) of the NSSO have produced 299.87 lakh quality dfls. of different combinations. Similarly, the production of Eri, Oak Tasar, Tropical Tasar and Muga dfls during 2006-07 has been 2.53 lakh, 1.94 lakh, 24.22 lakh and 2.50 lakh respectively. While the Mulberry Silkworm Seed Production Centres have produced 174.62 lakh DFls and supplied to farmers during 2007-08 (upto December'2007), the production of Non-mulberry dfls viz. Eri, Oak Tasar, Tropical Tasar and Muga have been 1.46 lakh , 1.15 lakh ,32.07 lakh and 1.20 lakh, respectively.

## **TRAINING**

CSB organizes a number of training programmes at its Research and Training Institutes. The total number of persons trained during 2006-07 and 2007-08 (up to December'2007) is at Table-4.4:

**Table –4.4**

S.no.	Training courses	2006-07		2007-08 [up to December'07]		Category of Trainees
		No. of courses conducted	No. trained	No. of courses	No. trained	
1	Structured Courses	4	44	3	52	DOS (Deptt. of Sericulture) /NGO
2	Capsule Courses	75	278	32	463	CSB/DOS / NGO
3	Adhoc Courses	122	2061	110	1344	Students/ Staff/ Entrepreneurs
	<b>TOTAL:</b>	<b>201</b>	<b>2383</b>	<b>145</b>	<b>1869</b>	

## **DEVELOPMENT PROGRAMMES**

### **Development of Sericulture industry during XI Plan (2007-12)**

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

1. Development of sericulture, which has many facets-Increase in area under Mulberry, enhance production, productivity and quality.
2. Poverty alleviation, generation of employment and income, livelihood security and also increase in family income.

As Sericulture is basically women-oriented activity and also non-Mulberry silks are practiced largely by the tribals who live in the North-East, Central India and Himalayan Zone, their livelihoods are to be improved along with the production of Vanya Silks which are unique to India.

During the XI Plan, CSB has four major schemes for implementation- three central schemes and one centrally sponsored scheme as follows:

1. Research & Development/Training/IT initiatives.
2. Seed Organization and HRD
3. Quality Certification Systems and
4. Catalytic Development programme.

During the 2<sup>nd</sup> year of XI Plan i.e. 2008-09, the target is to produce 19030 MTs of mulberry raw silk as compared to the anticipated mulberry raw silk production of 17900 MT during the year 2007-08 indicating an increase of 6.3%. The production target of Vanya silk viz. Tasar, Eri and Muga during 2008-09 are projected as 365,1990 and 165 MTs as compared to the anticipated production of 380, 1600 and 120 MT, respectively, during the year 2007-08. This shows an increase of 24.4% and 37.5% in Eri and Muga silk respectively. The employment generation during the year 2008-09 is projected as

66.98 lakh persons as against the anticipated employment generation of 64.11 lakh persons during 2007-08 showing an increase of 4.5%. On the export front, during the year 2008-09 the export earnings are projected as Rs. 3970.00 crores as compared to the anticipated achievement of Rs. 3500.00 crores during year 2007-08 indicating an increase of 13.4%.

## **POWERLOOMS SECTOR**

### **Modernisation & Strengthening of Powerloom Service Centre**

Out of 44 PSCs, which are administered by the office of the Textile Commissioner and other agencies, 43 Powerloom Service Centres (PSCs) have been modernised with modern machinery and equipments such as Shuttleless looms of various types like Projectile, Rapier, Airjet, Automatic Cop Changing Looms, Drop Box Looms, Pirn winders, Cone winders, Sectional warping machines, etc.

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 & 1 PSC is run by the Madhya Pradesh State Powerloom Weavers Co-op. Federation.

### **Computer Aided Design Centers**

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

### **Modernisation of Decentralised Powerloom Sector**

The Government have launched a major programme for modernisation of the powerloom sector by induction of 50,000 Shuttleless looms and 2.5 lakh semi-automatic/automatic looms in the decentralised powerloom sector. The emphasis has been on Technology Upgradation Fund Scheme (TUFS). The different categories of looms installed under modernization from 2001-02 to 2005-06 is at table 4.5.

**Table 4.5**

<b>Sr. No.</b>	<b>Type of loom installed</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>Total</b>
1	Semi Automatic loom	14994	4732	3569	2811	2752	28858
2	Automatic loom	1916	1229	2055	2878	1631	9709
3	Shuttleless loom	3595	3639	4849	6367	5184	23624
<b>Total</b>		<b>20505</b>	<b>9600</b>	<b>10473</b>	<b>12056</b>	<b>9567</b>	<b>62201</b>

Group Insurance Scheme for Powerloom Workers:

The Government of India have launched a revised Scheme “Welfare of Powerloom Workers through Group Insurance Scheme” in association with LIC from July 1, 2003. There are two separate components under the scheme (1) Janashree Bima Yojana (JBY) and (2) Add – On - Group Insurance Scheme (GIS). In case of JBY, the total premium is Rs.200/-, of which Rs. 100/- is paid from the Social Security Fund of Govt. of India through Life Insurance Corporation of India (LIC) and balance of Rs.100/- shall be shared between Govt. and beneficiaries in the ratio of 60:40. In case of Add-on-GIS, the total premium is Rs.180/-, which will be equally shared by Govt. of India and beneficiary on 50:50 basis.

A beneficiary has the option of choosing either of the Schemes or both. The coverage benefits under the Scheme are at table 4.6:-

**Table- 4.6**

<b>Component</b>	<b>Natural death</b>	<b>Accidental Death</b>	<b>Total Permanent Disability</b>	<b>Partial Permanent Disability</b>
<b>JBY</b>	<b>Rs. 30,000/-</b>	<b>Rs. 75,000/-</b>	<b>Rs. 75,000/-</b>	<b>Rs. 37,500/-</b>
<b>Add-On-GIS</b>	Rs. 30,000/-	Rs. 30,000/-	--	--
<b>Both</b>	Rs. 60,000/-	Rs. 1,05,000	Rs. 75,000	Rs. 37,500/-

In addition, a worker under JBY is also entitled to the education grant of Rs.300/- per child / per quarter for two children studying in IX to XII standard, under LICs Shiksha Sahayog Yojana. Under the schemes, 3,60,587 workers have been insured while GOI share of premium to the extent of Rs. 236.17 lakhs has been released between July 2003 to March 2007.

Group Workshed Scheme

The Government of India have introduced a Group Workshed Scheme for decentralize Powerloom Sector on July 29, 2003, under the current five-year plan, which aims to set-up Powerloom Parks with modern weaving machinery to enhance their competitiveness in the Global Market. Under this Scheme, subsidy for construction of Workshed is limited to 25% of the unit cost of construction subject to a maximum of Rs. 80/- per sq. ft., whichever is less.

The release of the subsidy is back ended. During 2006-07, Rs. 36.00 lakhs has been released to M/s Cauvery Hi-tech Weaving park .

## **TECHNOLOGY UPGRADATION FUND SCHEME (TUFS)**

To provide necessary impetus to the modernization of textiles and jute industry and to enhance its viability and competitiveness in the domestic, as well as international markets, the Government had launched “Technology Upgradation Fund Scheme (TUFS)” on April 1, 1999. The Govt. has decided to continue the scheme for the Textiles and Jute industries with effect from 1.11.2007 to 31.3.2012.

The important parameters of the Scheme for the Eleventh Plan period are as follows: -

- i). The scheme will continue to provide a reimbursement of five percentage points on the interest charged by the lending agency on a project of technology upgradation in conformity with the Scheme. However, for the spinning machinery the reimbursement will be four percentage points.
- ii). The scheme will continue to provide cover for foreign exchange rate fluctuation not exceeding 5%. However, for the spinning machinery the coverage will be 4%.
- iii). The Scheme will now provide an additional option to the powerlooms units to avail of 20% margin money subsidy under TUFS in lieu of 5% interest reimbursement on investment in TUF compatible specified machinery subject to a capital ceiling of Rs. 200 lakh and a ceiling on subsidy of Rs.20 lakh. A minimum of 15% equity contribution from beneficiaries will be ensured.
- iv). The Scheme will now provide 15% margin money 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.

The identified sectors in the textiles industry, including 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 are eligible to avail of these concessional loans for their technology upgradation requirements.

IDBI, SIDBI and IFCI are the nodal agencies for Non-SSI textile sector, SSI textile sector and Jute sector respectively. However, in 2005, 13 additional nodal banks have been appointed under TUFs for determining eligibility & releasing the subsidy in respect of cases financed by them.

**Progress of TUFs (5% interest reimbursement and 15% CLCS)**

From the launch of scheme till December, 2006, 7031 applications with project cost of Rs.59,115.00 crores have been received. Of this, 5956 applications with a project cost of Rs. 52,847.00 crores have been sanctioned. 5956 applicants have been disbursed a loan amount of Rs. 14902.00 crores.

**Table-4.7**

**Progress of TUFs since its inception upto December 31, 2006**  
(Amount in Rs crore)

Year	Received		Sanctioned		Disbursed	
	No. of applications	Cost of project	No. of applications	Loan Amount	No. of applications	Amount
1999-2000	407	5771	309	2421	179	746
2000-2001	719	6296	616	2090	494	1863
2001-2002	472	1900	444	629	401	804
2002-2003	494	1835	456	839	411	931
2003-2004	867	3356	884	1341	814	856
2004-2005	986	7941	986	2990	801	1757
2005-2006	1086	16194	1078	6776	993	3962
2006-2007	6248	50154	6217	19863	6123	16530
<b>TOTAL</b>	<b>11279</b>	<b>93447</b>	<b>10990</b>	<b>36950</b>	<b>10216</b>	<b>27448</b>

### Progress of (20% CLCS)

The 20% Credit Linked Capital Subsidy Scheme under CLCS-TUFS for powerlooms units was launched on November 6, 2003. As on December 31, 2007, a subsidy of Rs. 118.15 crores has been disbursed in respect of 1715 cases.

### **TEXTILES WORKERS' REHABILITATION FUND SCHEME (TWRFS)**

The Textile Workers' Rehabilitation Fund Scheme came into force with effect from September 15, 1986, with the objective to provide interim relief to textiles workers rendered unemployed as a consequence of permanent closure of any particular portion or entire textile unit. The 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 ventures into a self-employment activity.

#### Eligibility

The beneficiary under the scheme are eligible provided he/she has been working in a closed textiles 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, which had closed between June 6, 1985 to April 1, 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

The 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.

#### Progress

Till 20.10.2007, under the scheme 38 units in Gujarat, 5 units in Tamil Nadu, 3 units in Maharashtra, 4 units in Madhya Pradesh, 3 units in Karnataka, 1 unit in West Bengal and 1 unit in Delhi, i.e., a total of 55 mills were found eligible under the scheme. A total of 86792 workers out of 1,10,292 eligible workers of these mills had been disbursed relief of Rs. 206.17 crores.

## **SCHEME FOR INTEGRATED TEXTILE PARKS (SITP)**

The Government launched the ‘Scheme for Integrated Textile Parks’ (SITP) in August 2005, by merging the two existing schemes, viz. scheme of Apparel Park for Export and Textile Centres Infrastructure Development Scheme. The Scheme, a public-private partnership, is being implemented through Special Purpose Vehicles (SPVs). The industry associations/group of entrepreneurs are the main promoters of SITP.

### **Scope of the Scheme**

The scheme targets industrial clusters/locations with high growth potential, which require strategic interventions through provision of world-class infrastructure. The project cost covers common infrastructure and buildings for production/ support activities.

### **Funding Pattern**

The total project cost is funded through a mix of equity/grant – from the Government of India, State Government, State Industrial Development Corporation, Industry & Project Management Consultant and Loans – from banks/ financial institutions.

The Government of India’s (GOI) support under the Scheme is either through grant or through equity, which is limited to 40% of the project cost subject to a ceiling of Rs. 40 crores. However, the combined equity stake of Government of India/State Government/State Industrial Development Corporation, if any, should not exceed 49%.

### **Progress of implementation**

The Government have approved 30 projects so far. The State-wise projects are - Andhra Pradesh (4), Gujarat (7), Karnataka (1), Maharashtra (6), Rajasthan (4), Tamil Nadu (6), Punjab (1) and West Bengal (1). These Parks, when set up, would have facilities for spinning, sizing, texturising, weaving, processing, apparels fabricating, etc. The estimated investments in these parks would be Rs. 15,258.20 crores and estimated annual production would be 24,000 crores. Estimated employment generation would be more than 5.45 lakh. The projects are expected to be completed by March,2009.

## **MINIMUM SUPPORT PRICE FOR COTTON**

The Government announces Minimum Support Price (MSP) for different varieties of cotton every year to ensure remunerative prices to the cotton growers. The Cotton Corporation of India Ltd. purchases cotton under support price operation whenever prices touch the MSP level.

### **PRICE OF COTTON**

#### ***(1) Kapas Price***

For the cotton season of 2007-08 (Oct-Sept.), the Minimum Support Price (MSP) of kapas (Seed Cotton) for fair average quality has been fixed at Rs. 1800/- per quintal for medium staple variety (F-414/J-34/H-777). Similarly, the MSP for H-4 (Long staple

variety) has been fixed at Rs.2030/-per quintal, an increase of Rs.40/- per quintal over the support price of 2006-07. The MSP for F-414/H-777/J-34 variety of kapas would be made applicable only to Rajasthan. The price of said variety i.e. F-414/H-777/J-34 grown in Haryana and Punjab has been fixed keeping in view the respective quality differential, vis-à-vis, Rajasthan obtaining in these States. Based on the MSP for these two basic varieties and taking into account of the fibre quality parameters and other relevant factors, the support price for other varieties of kapas of fair average quality for the cotton season of 2007-08 has been fixed by the Textiles Commissioner.

During the Cotton Season of 2006-07 (Oct-Sept), the kapas prices were ruling higher than the previous year (2005-06) price level through out the cotton season. Due to record production in the country , as well as , in the world, the kapas prices have been higher during the cotton season of 2005-06 (Oct-Sept) and have thouched the MSP level in all states. The Cotton Corporation of India Ltd.(CCI) had undertaken MSP operation for the limited period during the cotton season of 2006-07 and also procured kapas equivelent to the lint cotton of 11.78 lakh bales(of 170 kgs. Each) under MSP operation till 30.9.2007.

### **TECHNOLOGY MISSION ON COTTON (TMC)**

The Technology Mission on Cotton (TMC) was launched on February 21, 2000, to address the issues of raising productivity, improving quality and reducing the cost of production and thus provide the much-needed competitive advantage to the textiles industry, along with ensuring attractive returns to the farmers.

The Mission consists of **four Mini Missions (MM)**: The Indian Council of Agricultural Research (ICAR) and Ministry of Agriculture, Government of India are the Nodal Agencies for Mini-Missions I & II respectively. The Mini-Mission I focus on development of high yielding pest resistant varieties and hybrids and integrated water, nutrition and pest management technologies. The Mini-Mission II relates to transfer of the aforesaid technologies to farmers to ensure better returns. The mini-missions **III and IV of TMC have been further extended for another two years** by the Empowered Committee on TMC and will continue till 31<sup>st</sup> March, 2009.

The Ministry of Textiles is the Nodal Agency for Mini Missions III & IV. **Mini-Mission III** relates to improvement of marketing infrastructure and includes the revival of dormant market yards, improvement of existing market yards and setting up of new market yards. The Government of India provides assistance of 60% of the cost of development to the concerned State Govts. / Agricultural Produce Market Committees (APMCs). **Mini-Mission IV** aims at modernisation of ginning and pressing factories and thereby improving the quality of cotton by reducing contamination and ensuring better prices to the growers. The capital incentive of 25% cost of modernisation subject to a limit of Rs. 20 lakh is given to the ginning and pressing factories. Further, for installation of 'new bale press' and 'HVI/MVI laboratories', additional incentive of Rs 7 lakh and Rs. 4 lakh respectively is also being allowed.

## Progress

The **initial target for MM-III** was to develop 111 market yards (51 in the IXth Five Year Plan and 60 in the Xth Five Year Plan). This has further been increased to 250 in June,2005 . As on October,2007 development of 246 market yards has been sanctioned and 125 market yards have reported completed at an estimated project cost of RS.485.14 crores of which Government of India (GOI) share is Rs.249.65 crores.

The **initial target of MM-IV** was to modernize 500 Ginning & Pressing (G&P) factories (150 in IX Five Year Plan and 350 in Xth Five Year Plan). It has further been increased to 1,000 G&P factories in June 2005.As on October,2007, against total target,948 projects have been already approved and modernization of 664 G&P Units have reported completed at an estimated project cost of Rs.1,351.84 crores of which GOI share is Rs.215.83 crores.

The Scheme completed its tenure on March 31,2007. However , in terms of target and completion of the ongoing projects , the MM-III and MM-IV of TMC has been further extended for two years i.e upto March 31,2009.

## **JUTE**

### **OVERALL PERFORMANCE**

During the 2006-07, total production of jute goods stood at 1356.3 thousand M.T. Domestic consumption and export were at 1216.2 thousand M.T and 242.8 thousand M.T. respectively. During the financial year 2005-06, total production of jute goods was at 1582.1 thousand M.T. Total exports at 285.8 thousand MT and domestic consumption at 1377.8 thousand MT. Total exports of jute goods during 2006-07 stood at 242.8 thousand M.T valued at Rs.798.78 crore recorded fall of 15% in terms of quantity and 9% in terms of value over the last year. Domestic consumption of jute goods at 1216.2 thousand M.T during 2006-07 declined by 11.7% as against that of last year. The unusual fall in production as well as domestic consumption during 2006-07 over the previous year is attributable to strike in jute mills in West Bengal w.e.f. 05-01-2007 which continued upto 08-03-2007.

During 2007-08 (April- October), total production of jute goods stood at 1024.1 thousand M.T which is higher by 17.8 % compared to production during the corresponding period of last year. Volume and value of export of jute goods during 2006-07 (April-October), was recorded at 126.7 thousand M.T valued at Rs.697.33 crore, as against 117.8 thousand M.T valued at Rs.622.94 crores during the corresponding period of last year.

### **Exports of jute goods**

During 2006-07 (April-March) export of jute goods registered at 242.8 thousand M.T as against 285.8 thousand M.T during the financial year 2005-06 accounting for a decline of 15.0%. In 2006-07 value of exports was Rs. 798.78 crores as against Rs. 873.65 crores in 2005-06 registering a fall by 9.0%. In the current financial year 2007-08 (till

October, 2007) exports have been 126.7 thousand MT in terms of quantity and Rs. 697.33 crores in terms of value compared to 117.8 thousand MT and valued at Rs. 622.94 crores attained in the corresponding period of 2006-07.

#### Import of jute goods and raw jute

During the year 2006-07 volume of import of jute goods stood at 60.93 thousand M.T valued at Rs.171.63 crores as against 77.02 thousand MT valued at Rs. 172.56 crores in 2005-06. This implies a fall of 20.8% in terms of quantity and 0.5 % in terms of value over 2005-06. Import of raw jute has also increased. Volume of import of raw jute during 2006-07 stood at 94.36 thousand M.T valued at Rs.150.31 crores as against 136.22 thousand M.T. valued at Rs. 189.77 crores. Thus import of raw jute both in terms of quantity and value have decreased by 30.7% and 20.8% respectively. Import of jute goods during 2007-08 (April/Sept) has, however, increased by 10.2% to 27.21 thousand M.T. as against 24.69 thousand M.T. in the corresponding period of last year. Import of raw jute has also increased substantially by 89.5% to 99.07 thousand M.T. as against 52.27 thousand M.T. during the last year.

#### **JUTE MANUFACTURES DEVELOPMENT COUNCIL (JMDC)**

Jute Manufactures Development Council, by virtue of the JMDC Act 1983 is mandated to undertake the following activities:

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

JMDC proposes to continue its efforts during 2008-09 in achieving the above objectives. It will continue its existing schemes and activities, which will be included in the proposed Annual Action Plan 2008-09. The proposed Annual Action Plan of the Council for the year 2008-09 will be drawn to include:

- a) Undertaking of different studies in field of agriculture, market driven product specific research, product development, design development, etc., not covered by JTM. All the projects and studies will be undertaken by the competent agencies within the approved Work Plan from the Non-plan budget of JMDC.
- b) JMDC will continue its efforts towards promoting standardization of jute products by instituting studies on standardization of JDPs and other products.
- c) In an effort towards standardization, JMDC has undertaken a Pilot Project for construction of 50 Km. rural roads in 5 States by using Jute Geotextiles under PMGSY. During 2008-09, 8 roads are likely to be completed.

Considering the fact that there is high potential and prospect for Jute Geotextiles, JMDC will undertake systematic and intensive approach to penetrate into the hitherto untapped civil construction areas, particularly in the domestic market. The Action Plan will give specific thrust for development of this sector.

- d) JMDC will continue its support to the Institute of Jute Technology, Kolkata, towards sustainable human resource development, under the MOU of the Council with the Institute, on the approval of the Government and on the recommendations of the study undertaken through IL&FS.
- e) The Action Plan for 2008-09 will cover different activities for promotion of the use of jute and its array of products both in domestic and export market. In this direction, JMDC will organize:
  - ⇒ Exclusive Jute Fairs in India.
  - ⇒ Participation in regional level, national level and international level expositions held in India and abroad.
  - ⇒ Organisation of Seminars, Conferences, Buyer-Seller Meets, Jute delegations and Contact Promotion Programmes in India and abroad.
  - ⇒ Conducting sustained generic publicity campaigning of jute as an eco-friendly and bio-degradable product.
- g) JMDC will undertake different activities as recommended in the reports of the study on Life Cycle Analysis commissioned by JMDC through M/s. Pricewaterhouse Coopers.
- h) During 2008-09, JMDC will complete the field survey of the JDP manufacturers and exporters operating throughout the length and breadth of the country. The resultant directory of the small entrepreneurs in the jute sector will be published.
- i) It will continue to undertake its regular promotional activities like printing and publication of publicity literatures, brochures and product literatures, statistical bulletin, newsletter, etc. and also undertake different facilitatory activities for the benefit of the exporters and entrepreneurs, obtaining membership of local and international bodies to propagate the use of jute.
- j) From its Non-plan budget, JMDC will continue to release payments against the liabilities of different schemes like EMA, Incentive Scheme for Modernisation of Jute Industry (ISMJI), which have since been discontinued or merged in JTM schemes.

## **JUTE TECHNOLOGY MISSION**

The Government, on June 2, 2006, approved the Jute Technology Mission (JTM). The Department of Agricultural Research & Education, Ministry of Agriculture, launched the Mini Mission I of the JTM on November 9, 2006. The 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 XI<sup>th</sup> Plan with an overall outlay of Rs.355.55 crores. The objectives of JTM are:

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

The operationalisation of JTM through its four Mini Missions is at table 4.8.

Table 4.8

<b>Mini Missions</b>	<b>Objectives</b>	<b>Executing Ministry</b>	<b>Proposed outlay (Rs in crores)</b>
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	38.60
Mini Mission – IV	To modernize, technologically upgrade, improve productivity, diversify and develop human resource for the jute industry.	Ministry of Textiles	260.00
<b>TOTAL</b>			<b>355.55</b>



## CHAPTER-V

### FINANCIAL REVIEW

#### Plan outlay and expenditure

During the year 2006-2007, the total plan expenditure incurred was Rs. 1412.03 crore as against the RE provision of Rs.1696.25 crore which is 83.21 of the revised estimate. The expenditure upto January,08 is Rs.1543.70 crore as against the revised estimate of Rs.2323.00 which is 66.45 %.

#### *Non-Plan*

During the year 2006-2007, the total expenditure incurred was Rs. 1255.17 crore against the RE provision of Rs 1364.11 crore which is 92.09 % of the revised estimate. The expenditure upto January,08 is Rs.633.66 crore as against the revised estimate of Rs.813.67 which is 77.88 % .

#### *Outstanding Utilisation Certificates :Status*

1426 utilisation certificates amounting to Rs.171.48 crore were due but outstanding as on 31<sup>st</sup> March,2007 .The status as on 31<sup>st</sup> December,2007 is 1225 utilisation certificates amounting to Rs.282.38 crore are outstanding.



## Demand No. 92 Ministry of Textiles

Rs. In crore)

	Major Head	Actual 2006-07			2007-2008 Budget			2007-2008 Revised			Actual 2007-08 (Upto Jan. 08)		
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
	Revenue	1393.68	480.26	1873.94	2221.00	590.20	2811.20	2301.00	510.20	2811.20	1541.53	397.45	1938.98
	Capital	18.35	774.91	793.26	22.00	303.48	325.48	22.00	303.47	325.47	2.17	236.20	238.37
	<b>Total</b>	<b>1412.03</b>	<b>1255.17</b>	<b>2667.20</b>	<b>2243.00</b>	<b>893.68</b>	<b>3136.68</b>	<b>2323.00</b>	<b>813.67</b>	<b>3136.67</b>	<b>1543.70</b>	<b>633.65</b>	<b>2177.35</b>
1. Secretariat-Economic services	3451	0.66	7.27	7.93		9.50	9.50		10.00	10.00		6.12	6.12
<i>Village and Small Industries</i>													
<i>Handloom Industries</i>													
2. Handloom Subsidy :													
2.01 Special Rebate on Handloom Cloth	3601												
2.02 Subsidy on Janata Cloth	3601												
	<i>Total</i>												
3. Centrally Sponsored Schemes in Handlooms													
3.01 Grants to Workshed cum Housing Scheme for Handloom Weavers	3601	17.95		17.95									
3.02 Assistance for Handloom Weavers Welfare Scheme	3601	9.86		9.86									
3.03 Deen Dyal Hathkarrgha Protsahan Yojana	3601	74.48		74.48									
	2851	0.83		0.83									
	3602												
	<i>Total</i>	75.31		75.31									
3.04 Others	7601												
	<i>Total</i>	103.12		103.12									
4. Other Handloom Schemes													
4.01 Integrated Handloom Development Scheme	2851				100.00			11.00			1.6		1.60
	3601							80.00			76.31		76.31
	3602												
	<i>Total</i>				100.00			91.00			77.91		77.91
4.02 Handloom Weavers Comprehensive Welfare Scheme	2851				90.00			82.22			81.38		81.38
	3601							4.49			4.28		4.28
4.03 Diversified Handloom Development Scheme	2851				11.95			6.03			0.93		0.93

	3601				1.05			0.45					
4.04 Weaver Service Centre	2851	0.63	14.41	15.04		17.00	17.00		16.77	16.77		13.27	13.27
4.052 Scheme for Handloom Export upgradation	2851	4.50		4.50									
4.06 Mill Gate Price Scheme	2851	12.00		12.00	15.00		15.00	23.50		23.50		13.46	13.46
4.07 Marketing Promotion Programme	2851	15.07		15.07	22.00		22.00	19.35		19.35		10.37	10.37
	4851				10.00			8.85		8.85		0.65	0.65
4.08 Design Development & Training Programme	2851	2.17		2.17									
	3601												
	4851	0.85		0.85	2.00		2.00	3.15		3.15			
	Total	3.02		3.02	2.00		2.00	3.15		3.15			

	Major Head	Actual 2006-07			2007-2008 Budget			2007-2008 Revised			Actual 2007-08 (Upto Jan. 08)		
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
4.06 Reimbursement of CENVAT on account of imposition of excise duty on Textiles and Textile articles	2851												
	3601												
	3602												
	Total												
4.07 Scheme for grant of special rebate @10% on sale of accumulated Handloom stock	2851		0.60	0.60		1.00	1.00		1.00	1.00		0.43	0.43
	3601		19.05	19.05		38.00	38.00		38.00	38.00		24.03	24.03
	3602					1.00	1.00		1.00	1.00			
	Total		19.65	19.65		40.00	40.00		40.00	40.00		24.46	24.46
4.08 Bunkar Bima Yojna	2851												
	3601												
	Total												
4.09 Integrated Handloom Training Programme	2851	10.69		10.69									
4.10 Integrated Handloom Cluster Development Scheme	2851	5.47		5.47									
4.11 Health Insurance Scheme for Handloom Weavers	2851	37.00		37.00									
4.12 Mahtama Gandhi Bunkar Bima Yojana	2851	3.00		3.00									
4.13 Others	2851		7.93	7.93		10.25	10.25		9.73	9.97		7.26	7.26
	3601		0.90	0.90		1.50	1.50		1.50	2.00		1.35	1.35

	3602												
	<i>Total</i>		8.83	8.83		11.75	11.75		11.23	11.23		8.61	8.61
<b>Total - Handloom Industries</b>	<b>Total</b>	<b>194.50</b>	<b>42.89</b>	<b>237.39</b>	<b>252.00</b>	<b>68.75</b>	<b>320.75</b>	<b>239.04</b>	<b>68.00</b>	<b>307.04</b>	<b>188.98</b>	<b>46.34</b>	<b>235.32</b>
<b>Handicraft Industries</b>													
5. Other Handicrafts Schemes													
5.01 Training and Extension	2851	0.41	18.86	19.27		23.00	23.00		23.00	23.00		17.19	17.19
5.02 Design and Technical Upgradation	2851	9.90	25.84	35.74	8.00	25.00	33.00	8.85	25.00	33.85	4.76	18.69	23.45
5.03 Baba Saheb Ambedkar Hastshilp Yojana	2851	28.06		28.06	36.00		36.00	28.00		28.00	13.28		13.28
5.04 Export Promotion	2851	11.51		11.51									
5.05 Marketing Support & Services	2851	18.88		18.88	34.00		34.00	30.75		30.75	16.33		16.33
5.06 Integrated Development Package for J&K	2851	2.71		2.71	5.00		5.00	4.00		4.00	3.36		3.36
5.07 Bima Yojana Scheme for Artisans	2851	4.00		4.00									
5.08 Special Handicrafts Training Project	2851	3.83		3.83									
5.09 Handicraft Artisans Comprehensive Welfare Scheme	2851				77.00			48.31			20.50		20.50
5.10 Research & Development	2851				5.00			3.85			0.27		0.27
5.11 Human Resource Development	2851				3.00			4.52			2.06		2.06
5.09 Others	2851	2.23	14.12	16.35		16.00	16.00		16.64	16.64		12.01	12.01
	4851	17.50		17.50	8.00		8.00	8.00		8.00	1.52		1.52
<b>Total - Handicraft Industries</b>	<b>Total</b>	<b>99.03</b>	<b>58.82</b>	<b>157.85</b>	<b>176.00</b>	<b>64.00</b>	<b>240.00</b>	<b>136.28</b>	<b>64.64</b>	<b>200.92</b>	<b>62.08</b>	<b>47.89</b>	<b>109.97</b>
	<b>Major Head</b>	<b>Actual 2006-07</b>			<b>2007-2008 Budget</b>			<b>2007-2008 Revised</b>			<b>Actual 2007-08 (Upto Jan. 08)</b>		
		<b>Plan</b>	<b>Non-Plan</b>	<b>Total</b>	<b>Plan</b>	<b>Non-Plan</b>	<b>Total</b>	<b>Plan</b>	<b>Non-Plan</b>	<b>Total</b>	<b>Plan</b>	<b>Non-Plan</b>	<b>Total</b>
<b>Wool Industries</b>													
6. Wool Development Board	2851	6.75	0.95	7.70	15.00	1.00	16.00	15.00	1.00	16.00	15.00	1.00	16.00
<b>Sericulture</b>													
7. Central Silk Board	2851	125.98	65.89	191.87	70.00	108.00	178.00	70.00	108.00	178.00	28.33	108.00	136.33
8. Other Sericulture Schemes	2851		1.12	1.12		1.30	1.30		1.30	1.30		0.95	0.95
<b>Total - Sericulture</b>	<b>Total</b>	<b>125.98</b>	<b>67.01</b>	<b>192.99</b>	<b>70.00</b>	<b>109.30</b>	<b>179.30</b>	<b>70.00</b>	<b>109.30</b>	<b>179.30</b>	<b>28.33</b>	<b>108.95</b>	<b>137.28</b>
<b>Powerloom Industries</b>													
9. Other Powerloom Schemes	2851	3.66	1.28	4.94	10.00	1.40	11.40	10.00	1.60	11.60	4.53	1.21	5.74
	3601												
<b>Total - Powerloom Industries</b>	<b>Total</b>	<b>3.66</b>	<b>1.28</b>	<b>4.94</b>	<b>10.00</b>	<b>1.40</b>	<b>11.40</b>	<b>10.00</b>	<b>1.60</b>	<b>11.60</b>	<b>4.53</b>	<b>1.21</b>	<b>5.74</b>

<b>Total-Village and Small Industries</b>	<b>Total</b>	<b>429.92</b>	<b>170.95</b>	<b>600.87</b>	<b>523.00</b>	<b>244.45</b>	<b>767.45</b>	<b>470.32</b>	<b>244.54</b>	<b>714.86</b>	<b>298.92</b>	<b>205.39</b>	<b>504.31</b>
<b>Consumer Industries</b>													
10. Payment against Cess Collections:													
10.01 Textiles	2852		10.30	10.30		21.00	21.00		20.00	20.00		10.50	10.50
10.02 Jute	2852		36.00	36.00		38.00	38.00		38.00	38.00		30.00	30.00
	<i>Total</i>		<i>46.30</i>	<i>46.30</i>		<i>59.00</i>	<i>59.00</i>		<i>58.00</i>	<i>58.00</i>		<i>40.50</i>	<i>40.50</i>
11. Textile Commissioner	2852		11.61	11.61		13.00	13.00		13.37	13.37		9.79	9.79
12. Other programmes for development of Textile													
12.01 Grants to Institute of Fashion Technology	2852	13.00	9.50	22.50	20.00	10.00	30.00	9.00	10.50	19.50	9.00	10.00	19.00
12.02 Research and Development	2852				2.00		2.00	2.00		2.00	1.61		1.61
12.03 Textile Labour Rehabilitation Scheme	2852		14.25	14.25		15.00	15.00		39.84	39.84		39.84	39.84
12.04 Grants for Studies	3453	0.26		0.26	1.00		1.00	1.00		1.00	0.49		0.49
12.05 Technology Upgradation Fund Scheme(TUFS)	2852	827.64			911.00		911.00						
				827.64				1143.37		1143.37	909.57		909.57
12.06 Cotton Technology Mission		25.00		25.00	50.00		50.00	50.00		50.00	50.00		50.00
12.07 Scheme for Apparel/Textile Parks	2852				425.00		425.00	375.00		375.00	241.91		241.91
12.08 Upgrading infrastructure facilities of Textile Growth Centers													
12.09 Procurement of Cotton by Cotton Corporation of India under Price Support	2852		119.84	119.84		170.00	170.00		65.35	65.35		28.35	28.35
12.10 Grants to AEPC against forfeited amount of EMD/BG	2852					5.00	5.00		1.00	1.00		0.31	0.31
12.11 Grant to British India Corporation Ltd for rehabilitation scheme	2852		18.00	18.00		18.00	18.00		18.00	18.00		18.00	18.00
12.12 Assistance for flood affected textile units	2852		41.62						3.31	3.31			
12.12 Scheme for Integrated Textile Parks	2852	101.55		101.55									
12.13 Others	2852	5.00	52.38	57.38	15.00	10.29	25.29	10.81	10.73	21.54	5.00	5.91	10.91
	<i>Total</i>	<i>972.45</i>	<i>255.59</i>	<i>1228.04</i>	<i>1424.00</i>	<i>228.29</i>	<i>1652.29</i>	<i>1591.18</i>	<i>148.73</i>	<i>1739.91</i>	<i>1217.58</i>	<i>102.41</i>	<i>1319.99</i>

Major Head	Actual 2006-07			2007-2008 Budget			2007-2008 Revised			Actual 2007-08 (Upto Jan. 08)		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total

13. Conversion of Loan into equity														
13.01 National Textile Corporation Ltd.,	4860													
13.02. Less Receipts netted	852								2542.79	2542.79				
									-2542.79	-2542.79				
14. Waiver of Interest														
14.01 National Textile Corporation Ltd.,	2852								1454.01	1454.01		1445.68		
14.02 Less receipts netted	49								-1454.01	-1454.01		-1445.68		
13. Jute Commissioner	2852	1.90		1.90		2.60	2.60		2.45	2.45		1.74	1.74	
14. Other programmes for development of jute, etc.														
14.01 Grants to National Centre for Jute Diversification	2852													
14.02 Jute Special Development Fund	2852													
14.03 Jute Technology Mission	2852				72.00			29.50		29.50		27.20	27.20	
14.03 Subsidy to Jute Corporation of India towards Market Operation	2852	28.00		28.00		30.00	30.00		30.00	30.00		30.00		
14.04 Subsidy to Jute Corporation of India for losses towards Price Support Operation for conversion of loan to subsidy	2852													
14.05 Others	2852	9.00	0.26	9.26		3.36	3.36		3.11	3.11		1.50	1.50	
	<i>Total</i>	<i>9.00</i>	<i>28.26</i>	<i>37.26</i>	<i>72.00</i>	<i>33.36</i>	<i>105.36</i>	<i>29.50</i>	<i>33.11</i>	<i>62.61</i>		<i>27.20</i>	<i>31.50</i>	<i>58.70</i>
15 Write off loan														
15.01 Jute Corporation of India	2852								196.58	196.58				
15.02 Less receipt netted	0852								-196.58	-196.58				
16 Waiver of Interest														
16.01 Jute Corporation of India	2852								313.07	313.07				
16.02 Less receipt netted	0049								-313.07	-313.07				
15. Jute Development Fund - Transfer														
	To	2852												
	From	2852												
	Net													
<b>Total-Consumer Industries</b>		<b>981.45</b>	<b>343.66</b>	<b>1325.11</b>	<b>1496.00</b>	<b>336.25</b>	<b>1832.25</b>	<b>1620.68</b>	<b>255.66</b>	<b>1876.34</b>		<b>1244.78</b>	<b>185.94</b>	<b>1430.72</b>

**Civil Supplies**

16. Non-Plan loans to Public Enterprises

16.01 National Textile Corporation	6860	62.50	62.50	60.00	60.00	60.00	60.00	60.00	60.00	60.00
16.02 National Jute Manufactures Corporation	6860	712.21	712.21	240.62	240.62	240.62	240.62	240.62	175.85	175.85
16.03 Elgin Mills	6860			2.50	2.50	2.50	2.50	2.50		
16.04 Bird Jute and Export Limited	6860	0.20	0.20	0.35	0.35	0.35	0.35	0.35	0.35	0.35

	Major Head	Actual 2006-07			2007-2008 Budget			2007-2008 Revised			Actual 2007-08 (Upto Jan. 08)		
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
16.05 VRS and statutory dues for National Jute Manufacturers Corporation	6860												
<b>Total</b>			774.91	774.91		303.47	303.47		303.47	303.47		236.20	236.20
17 Investments in Public Enterprises	4851												
	4860					0.01	0.01						
<b>Total</b>						0.01	0.01						
18. Lump sum provision for the benefit of North Eastern Region & Sikkim													
Handloom	2552				63.00		63.00	63.00		63.00			
Handicraft	2552				42.00		42.00	42.00		42.00			
	4552				2.00		2.00	2.00		2.00			
	4851												
<b>Total</b>					44.00		44.00	44.00		44.00			
Sericulture	2552				40.00		40.00	40.00		40.00			
Jute	2552				8.00		8.00	8.00		8.00			
Textiles	2552				69.00		69.00	77.00		77.00			
<b>Total</b>					224.00		224.00	232.00		232.00			
<b>Grand Total</b>		<b>1412.03</b>	<b>1296.79</b>	<b>2708.82</b>	<b>2243.00</b>	<b>893.68</b>	<b>3136.68</b>	<b>2323.00</b>	<b>813.67</b>	<b>3136.67</b>	<b>1543.70</b>	<b>633.65</b>	<b>2177.35</b>



Details of Outstanding Utilization certificates as on 31 March, 2007  
& 31 December, 2007

	No Of Utilization Certificate as on		<i>Amount as on</i>	
	<b>31.03.07</b>	<b>31.12.07</b>	<b>31.03.07</b>	<b>31.12.07</b>
1978-79	11	11	47.23	47.23
1979-80	3	3	14.60	14.60
1980-81	3	3	3.88	3.88
1981-82	1	1	0.40	.40
1982-83	4	4	2.02	2.02
1984-85	2	2	0.88	.88
1985-86	3	3	2.15	2.15
1988-89	1	1	0.25	.25
1989-90	3	3	1.75	1.75
1990-91	1	1	3.32	3.32
1991-92	3	3	7.47	7.47
1992-93	9	9	20.71	20.71
1993-94	9	9	95.11	95.11
1994-95	31	31	26.27	26.27
1995-96	48	48	231.35	231.35
1996-97	16	16	51.89	51.89
1997-98	17	17	42.63	42.63
1998-99	11	11	31.24	31.24
1999-00	29	28	126.75	126.76
2000-01	31	31	93.24	93.24
2001-02	31	31	47.91	47.90
2002-03	44	44	89.79	89.79
2003-04	100	96	692.43	650.65
2004-05	239	213	2583.83	2110.13
2005-06	776	498	12930.51	6589.56
<b>Total</b>	<b>1426</b>	<b>1117</b>	<b>17147.61</b>	<b>10291.18</b>

## CHAPTER-VI

### **NATIONAL TEXTILE CORPORATION LIMITED**

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

Starting with 16 mills in 1968, the number of mills eventually increased to 119 by 1994. During 1992-94, 8 NTC Subsidiary Corporations (104 mills) were referred to the Board for Industrial and Financial Reconstruction (BIFR), under section 15(1) of the Sick Industrial Companies Act, and were declared sick industrial companies. BIFR approved the revival scheme in respect of these Companies in 2002, permitting closure of 60 unviable mills and the revival of 44 viable mills. Accordingly, 60 unviable mills were closed. Subsequently, National Textile Corporation (Tamil Nadu & Puducherry) Ltd., (15 mills) was also referred to BIFR in 2004, and declared sick in December 2005. Thus, the total number of viable and unviable mills increased to 53 and 66, respectively (total 119 mills). All the unviable mills have since been closed under the Industrial Disputes Act 1947.

Of these 119 mills, two mills under the NTC (TNP) subsidiary (one viable and one unviable mill) were transferred to the Puducherry Government on April 1, 2005.

All subsidiaries have been merged with the Holding Company w.e.f. April 1, 2006.

#### **2. Modernisation of mills**

As per revised scheme, 22 mills are proposed to be revived as under:-

- (i) 13 mills will be modernized as spinning unit at their existing land and modernization of these 134 mills will be completed by December,2007.
- (ii) 3 Mills viz. i.e. Cannanore Spg. & Wvg. Mills, Mahe, Burhanpur Tapti Mills, Burhanpur and New Bhopal Textile Mills, Bhopal will be modernized as spinning unit with the proposed spindles of 28,000; 48,000 and 50,000 respectively. The total machinery of these mills would be new one.
- (iii) 2 mills viz. Srirangavilas Mills, Coimbatore and Cannanore Spg. Mills, Cannanore will be modernized on turn key basis. The supplier of machinery will be responsible for any lapse in production process to produce desired quality and quantity of products.
- (iv) 4 mills are proposed to be relocated from city to sub-urban area as new green field units. Two mills namely New Minerva Mills and New Finlay Mills will be established as a composite unit with spinning,weaving and processing capacities to produce yarn and cloth. The other two mills namely New Udaipur Cotton Mills and New Rajnagar Textile Mills would be established as a grey composite unit with spinning and weaving capacity to produce grey cloth.
- (v) Out of 30 mills earlier proposed to be revised under public private joint venture arrangement, only 18 mills are now proposed to be revised. NTC has come to the conclusion that remaining 12 mills are not economically viable. NTC has already paid the

compensation to most of the employees of above mills under Modified VRS (MVRS). As on 31.3.2007, there are only 334 permanent workers and 443 staff, supervisor and officers remaining in these mills. Therefore, it is proposed to close down these mills and provide MVRS to remaining employee after the sale of land and other assets of these mills.

A comparative statement of financial parameters is under: -

**(Table 6.1)**

(Rs. in crore)

<b>New Revised Scheme</b>	<b>Cost of Scheme</b>
Modernization	1155.96
Working Capital	54.02
Cash losses	1668.94
VRS	2490.87
Payment to Secured Creditors OTS	293.65
Statutory dues	224.55
Pressing creditors	328.13
Interest related expenses on Bonds	858.56
Bonds redemption	2028.04
<b>Total</b>	<b>9102.72</b>

<b>Means of Finance</b>	
Interest Free GOI loan	1643.84
Funds from sale of land & other assets	7033.22
Bonds	
Bonds issued	2028.04
Interest	234.89
VRS Grant received	55.47
Rent received	7.21
<b>Total</b>	<b>11002.68</b>

### **Capital structure**

Initially, NTC Ltd (Holding Company) had an authorized capital of Rs.10.00 crores, which was raised from time to time. Presently, it is Rs.600 crores and is likely to be increased to Rs.5000 crores on account of conversion of loan into equity as a part of the Rehabilitation Scheme. The paid up capital of Rs.540.10 crores, is fully owned by the Govt. of India.

### **Mobilization of funds**

NTC has mobilized funds of Rs.2028.04 crores through issue of Bonds. Of this, Rs.248.69 crores was for One-Time Settlement (OTS) with Banks and Financial Institutions, which has been redeemed on January 1, 2007, and balance Rs.1779.35 crores for MVRS/Statutory dues.

## **Capacity**

As on April 1, 2006, the installed capacity of the 52 mills under the NTC Group is 13.04 lakh spindles and 1886 looms with processing capacity of 36,000 mtrs / day.

## **6. PERFORMANCE DURING 2005-06 & 2006-07(PROJECTIONS)**

### **a) FINANCIAL RESULTS**

The Group's net profit/ cash loss for 2006-07 (audited) and 2007-08 and 2008-09 (projected) is as under (Table 6.2 ) :

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
<b>NATIONAL TEXTILE CORPORATION LIMITED</b>			
(Rs.in. Crores)			
<b>REVIVAL BUDGET OF NTC LTD., FOR THE YEAR 2008-09</b>			
<b>PARTICULARS</b>	2006-07 Audited	2007-08 Revised (Budget)	2008-09 (Proposed Budget)
<b>A.EARNINGS</b>			
1. Estimated funds available as on 1.4.	2165	2107	1755
2. Sale of land/plant & Machinery	337	700	1000
3. Other Income/Interest	198	200	200
4. Others(Recd. From J.V.Patnars	0	89	0
<b>TOTAL - A</b>	<b>2700</b>	<b>3096</b>	<b>2955</b>
<b>B.OUTGOINGS</b>			
1.MVRS Expenses	108	140	50
2.Modernization Expenses	40	300	542
3. Sundry Creditors/other Statutory Dues	27	0	0
4. Redemption of Bonds	249	749	500
5. Interest on Bonds & Govt.Guarantee Fee	169	152	100
<b>TOTAL - B</b>	<b>593</b>	<b>1341</b>	<b>1192</b>
<b>SURPLUS/ (DEFICIT) 2008-09(A-B)</b>	<b>2107</b>	<b>1755</b>	<b>1763</b>

### **b) PRODUCTION**

The Production of Yarn & Cloth (including job work) in NTC mills during 2005-06, 2006-07 (April-September 2006) and expected for 2006-07 is as under (Table 6.3) :

**Table 6.3**

S.No.	Particulars	Yarn Lakh Kgs.	Cloth Lakh Mtrs.
1	Actual for 2005-06	376.19	194.91
2	Actual for April-Sept., 06	164.00	88.00
3	Expected for 2006-07	472.17	302.63

**c) TURNOVER**

The sales of Yarn & Cloth (including Job Work) in NTC mills during 2005-06, 2006-07 (April-September 2006) and expected for 2006-07 is as under (Table 6.4) :

**Table 6.4**

(Rs. in Crores)

S.No.	Particulars	Yarn	Cloth
1	Actual for 2005-06	471.53	90.04
2	Actual for April-Sept., 06	202.00	27.00
3	Expected for 2006-07	587.29	106.93

**THE BRITISH INDIA CORPORATION LIMITED**

The British India Corporation Limited (BIC) was incorporated as a Public Limited Company on February 24, 1920. It was taken over by the Government of India on June 11, 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 suiting, 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) Brushware Limited.

**2. MODERNIZATION/REHABILITATION OF BIC LIMITED AND ITS SUBSIDIARIES**

B.I.C. Limited was declared as sick company in 1992, and was referred to Board For Industrial & Financial Reconstruction (BIFR). The Government proposed a Rehabilitation Scheme for the company in 2000 and BIFR approved the revival of the two Woollen Mills – Cawnpore Woollen Mills Branch (Lalimli), Kanpur & New Egerton Woollen Mills Branch (Dhariwal), Punjab. The cost of the BIFR approved rehabilitation scheme was Rs. 210.51 crores. The Government has released Rs. 86.00 crores as envisaged in the scheme to BIC Ltd. The said Rehabilitation Scheme could not be implemented within the stipulated time frame mainly due to non-cooperation of UP Govt. in granting necessary permission for converting leasehold land into freehold at free of

charge or with minimum charges, because the main source to finance the scheme was to be generated through the sale of surplus assets. The BIFR reviewed the matter on November 29, 2005 and issued direction that the company and operating agency i.e. IDBI should prepare a modified Draft Rehabilitation Scheme and submit the same for consideration of BIFR. Accordingly, the draft modified rehabilitation scheme was submitted to BIFR. The next date of hearing for finalization of Modified Draft Rehabilitation Scheme is fixed on 14<sup>th</sup> February'2008.

### 3. CAPITAL STRUCTURE

The BIC Limited had initially on authorized share capital of Rs. 55.00 crores. Presently, it is Rs. 31.71 crores (after converting Government loan of Rs.249.62 crores into equity and de rating it to 10% as per direction of BIFR).

### 4. CAPACITY

The capacity of the two Woollen Mills of BIC is 20,680 worsted spindles, 1920 woollen spindles, 43 powerlooms , 62 handlooms and 36 Sulzer looms.

### 5. PERFORMANCE DURING 2006-07 (AUDITED) 2007-08 (PROVISIONAL) AND 2008-09 (PROJECTIONS)

#### (A) FINANCIAL RESULTS

The net profit/cash loss for 2006-07 (Audited) 2007-08 (Provisional) and 2008-09 (projected) of BIC Limited is given below (Table 6.5).

**Table 6.5**  
**REVIVAL BUDGET OF BIC LTD. FOR THE YEAR 2008-09**

		(Rs. in Crores)		
S.No.	Particulars	2006-07 Audited	2007-08 Revised (Budget)	2008-09 (Proposed Budget)
<b>A</b>	<b>EARNINGS</b>			
1.	Estimated funds available as on 01.04	0.00	0.00	17.00
2.	Sale of Land	22.04	51.00	94.00
3.	Other Income/ Interest	0.00	0.00	30.00
4.	Other (Conversion charges)			47.35
	<b>TOTAL-A</b>	<b>22.04</b>	<b>51.00</b>	<b>188.35</b>
<b>B</b>	<b>OUTGOINGS:</b>			
1.	VRS Expenses			30.00
2.	Modernization Expenses			13.00
3.	Payment to SBI dues (OTS)/Interest	22.04	34.00	11.55
4.	Others (Conversion charges)			47.35
5.	Payment of Arrears			22.00
6.	Marketing Expenses			2.00
	<b>TOTAL-B</b>	<b>22.04</b>	<b>34.00</b>	<b>125.90</b>
	<b>SURPLUS(DEFICIT)</b>	<b>0.00</b>	<b>17.00</b>	<b>62.45</b>

	<b>2008-09 (A-B)</b>			
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**(B) PRODUCTION**

The production of yarn and cloth in BIC Mills during 2004-05, 2005-06, (April - September 2006) is given below (6.6)

**Table 6.6**

<b>Sl. No.</b>	<b>Particulars</b>	<b>Cloth Lakh Mtrs.</b>
1.	2004-05	11.73
2.	2005-06	8.14
3.	April-Sept. 2006	2.25

**(C) TURNOVER**

The Sale of cloth by BIC Mills during 2005-06 (April-December 2006) is as under (Table 6.7)

**Table 6.7**

<b>Sl. No.</b>	<b>Particulars</b>	<b>Cloth Lakh Mtrs. (Rs. in lakhs)</b>
1.	2004-05	2584.28
2.	2005-06	2375.85
3.	April-December 2006	419.00

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

CCI was set up in 1970 to act as a canalizing agency for import of cotton and purchase of raw cotton, provide price support to cultivators growing new varieties of cotton developed as a substitute for imported Long & Extra Long Staple cotton and function as a procurment agency for raw cotton for textiles mills both in public and private sectors. Subsequent to the Textile Policy, 1985, CCI was assigned commercial operations for meeting the cotton requirements of institutional buyers and fulfilling the export quota allotted to it by the Government. With the liberalization of cotton exports through Open General Licence (OGL) from July 2, 2001, the system of allocation of export quota in favour of different agencies has been discontinued.

CCI is implementing agency for Mini Missions III and IV of Technology Mission on Cotton (TMC), which was launched in February 2000. It involves improvement of marketing infrastructure and modernization / technological upgradation of the existing ginning and pressing factories.

During cotton season 2006-07, the kapas prices in the Northern States of Punjab, Haryana, Rajasthan as also in Gujarat had ruled above the MSP level throughout the season. Similarly, initially during the season, the kapas prices in the States of

Maharashtra and Madhya Pradesh had also ruled above MSP level for about a week of so. However, the kapas prices touched the MSP level in the beginning of season itself in Andhra Pradesh, followed by in Maharashtra, Madhya Pradesh, Orissa and Karnataka. However, from last week of January 2007, the kapas prices once again firmed up and started ruling above MSP level in all the cotton growing States. Under these circumstances, in order to ensure remunerative prices to the cotton farmers of the country and to avoid distress sales by them, the CCI, as the Price Support Agency of the Government of India had undertaken MSP operations in Andhra Pradesh, Maharashtra, Madhya Pradesh, Orissa and Karnataka, whenever the prices ruled at MSP level and had procured 60.30 lakh quintals kapas under MSP operations equivalent to 11.78 lakh bales.

Besides above, during 2006-07 season, with a view to ensure competitive prices to the cotton growers, the CCI had also undertaken commercial operations in the Northern States of Punjab, Haryana, Rajasthan as also in Gujarat and had purchased 2.76 lakh bales under commercial operations. During the current cotton season 2007-08 too, the country is once again expected to harvest a record cotton production. The prevailing kapas prices in most of the cotton growing States, except Andhra Pradesh have been ruling above MSP level. The CCI, as the nominated agency of the Government of India for MSP operations is once again playing an important role in ensuring remunerative prices to the cotton farmers through MSP operations.

During the year 2006-07, the CCI had achieved sales turnover of Rs.1794.80 crores as against Rs.2427.68 crores during 2005-06. CCI paid dividend of 20% on its share capital to Government of India for the year 2006-07. The net profit after tax was Rs. 15.51 crore in the year 2006-07 as against net profit after tax of Rs.14.55 crore in 2005-06. The sales turnover of the CCI is estimated to be around Rs. 1788.75 crores during the year 2007-08.

The developmental activities of the CCI having been covered under Mini Missions I and II of TMC, the CCI 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 2006-07 cotton season, the CCI had undertaken Contract Farming in 32,810 hectares area. During cotton season 2007-08, the CCI has further extended the area under contract farming programme in all the cotton growing States in around 40,000 hectares area.

#### **NATIONAL JUTE MANUFACTURES CORPORATION LIMITED, KOLKATA:**

National Jute Manufactures Corporation Limited (NJMC) was incorporated in 1980. There are six nationalised Jute Mills under its management of which five are located in and around Calcutta and one at Katihar, Bihar. NJMC is the only Public Sector Undertaking engaged in Jute goods manufacture. The Undertakings of the six Jute Mills viz. National, Kinnison, Khardah, Alexandra, Union and RBHM, the management of which were earlier taken over by the Government under the Industries (Development & Regulation) Act 1951 were nationalised and vested in NJMC. The Mills produced



traditional Jute goods like Hessian, Sacking, Jute Twine and also Jute Carpet Backing Cloth (CBC).

**Production, Productivity & Performance:**

At the time of nationalization production of the mills under NJMC was around 1.10 Lac tons per annum, which went up to 1.33 Lac tons in the year 1985-86. However there is continuous decline in production thereafter. During the year 2004-05, 6 (Six) units of NJMC are not in operation due to disconnection of Power supply by CESC / BSEB for non-payment of their bills owing to working capital crunch . The trend of production, productivity & performance is at table 6.8.

Table 6.8

**PHYSICAL & FINANCIAL PERFORMANCE**

PHYSICAL	2004-05	2005-06	2006-07	2007-08 [upto Nov.2007]	2007-08 [Estimated]
Production (in MT)	28	----	....	.....	....
Prodn./day (MT)	----	----	....	.....	....
<b>FINANCIAL RESULTS :</b>	<b>Rs. In Lac</b>	<b>Rs. In Lac</b>	<b>Rs. In Lac</b>	<b>Rs. In Lac</b>	<b>Rs. In Lac</b>
Sale Value of Production	20	27	2	---	---
Other Income	201	262	5230	90	235
Accretion/Decretion	(19)	(28)	(2)	----	----
TOTAL	202	261	5230	90	235
<b>Cost of Production :</b>					
Jute Cost	----	----	----	----	----
Salaries & Wages	12589	11612	11123`	1317	2075
Stores & Spares	5	6	12	8	12
Other Expenses	447	945	1215	302	453
VRS Expenses	----	----	35639	136	203
Interest	5529	3690	1253	133	200
TOTAL COST	18570	16523	49242	1896	2943
<b>Cash Loss</b> (Excluding interest on GOI Loan)	18368	15992	44012	1806	2708
GOI Loan	11200	15802	71221	10896	

NJMC had been suffering cash loss since inception. In view of continuous cash loss and complete erosion of net worth, NJMC was referred to the Board for Industrial and Financial Reconstruction (BIFR) on August 11, 1992. Thereupon, BIFR declared the Company as sick under the provisions of Sick Industrial Companies (Special Provision) Act, 1985 (SICA). Time and again various revival proposals were submitted to BIFR which were turned down.

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

On January 6, 2005, the Single Judge Bench passed the order for winding up of NJMC Ltd. and directed the official liquidator to take possession of assets of the company. Subsequently NJMC management preferred an appeal before the Division Bench of the Hon'ble High Court, Kolkata against above order dated January 6, 2005. The matter was heard by the Division Bench on February 7, 2005, and stay was granted which is presently operational. In the meantime, NJMC Officer's guild filed an appeal before the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) against the winding up order of BIFR.

The Cabinet in its meeting held on 24.03.2005 approved the following guidelines as a Plan of Action for the NJMC Ltd.

- (i) To reduce the manpower of the NJMC Ltd. by offering VRS to all the employees (13,942) of the organization, including the employees of the Head Office.
- (ii) To extend budgetary support to the extent of Rs. 978.00 crores for providing VRS, liquidating statutory arrears, gratuity, and secured liabilities of NJMC Ltd.
- (iii) the mills at Kinnison and Khardah will be referred to the Board for Reconstruction of Public Sector Enterprises and VRS offered to their employees; and
- (iv) VRS will be given to employees of other mills but these will be dealt under BIFR proceedings.

Accordingly, the scheme for revival of two mills (Kinnison & Khardah) was submitted to BRPSE. In addition, submissions were 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 has also concluded its hearing and issued oral orders to set aside the orders of BIFR.

As per the decision of the Cabinet, VRS was notified in all the mills. All the workmen have opted for VRS and have been released. The Secured liabilities of NJMC have also been liquidated. Most of the Statutory dues of NJMC have been settled as well.

### **The government proposes to start implementing the revival plan of the NJMC in the year 2008-09.**

#### **BIRDS JUTE & EXPORTS LTD.**

Birds Jute & Exports Ltd., a subsidiary of the National Jute Manufactures Corporation (NJMC) Ltd. is a processing unit in Jute/Cotton/Viscose & Blended Decorative Fabrics. The Company resumed production from April 1988 after a virtual closure for a period of 8 years during which period the condition of plant and machinery immensely deteriorated resulting in higher/cost of production and low productivity.

Due to frequent break down of old and outdated machinery, production of the company was suspended again with effect from October 1998. The production of the company was resumed in the month of August, 2001 after a long interval of about 3 years after repairing of major machinery and payment of electricity bills. However, the production in BJEL again discontinued from October 2002.

The performance of BJEL during 2006-2007, in comparison to previous year is at Table 6.9.

Table 6.9 (Rs. In Lakhs)

<b>Physical</b>	06 - 07	05 - 06
Production	0	0
Own Fabrics(Mtrs)	0	0
Contract (Mtrs.)	0	0
<b>FINANCIAL RESULTS</b>	<b>Rs.in lac</b>	<b>Rs.in lac</b>
Sales Value of Production	0	0
Rent & Other Income	38.84	38.84
<b>Total</b>	38.84	38.84
Raw Material	0	0
Stores	0.04	00.02
Salary & Wages	21.12	23.38
Other Expenses	32.28	29.13
Interest	445.66	304.52
Depreciation	7.84	8.01
<b>Total</b>	506.94	365.06
Net loss (before adjustment)	468.10	326.22
Extra ordinary Item (Waiver of interest on account of OTS with Syndicate Bank)	----	-1102.75
Adjustment	5.40	-80.22

Net Loss/Net Profit (+) (After adjustment)	(-) 462.7	+ 856.75
Cash Loss/Cash Profit (+)	(-)454.86	+856.75
Cumulative Net Loss	5884.92	5422.22

The major part of the losses incurred during the year under review is due to huge interest burden of secured and unsecured loan from bank, holding company and Govt. of India

### **Reference to BIFR**

The Company, being sick, was registered with Board for Industrial & Financial Reconstruction (BIFR). BIFR vide order dated 08.07.2004 had confirmed winding up order of BJEL and has referred the matter to Hon'ble High Court of Kolkata. The Hon'ble High Court vide order dated 06.01.2005 directed that an Official Liquidator take possession of the assets of the company. Against the above order, BJEL Staff Association has filed an appeal in Division Bench of Hon'ble High Court, Kolkata. The orders of the single Bench dated 06.01.2005 have been stayed by the Division Bench on 17.02.2005 and continue to this day.

Against the order of BIFR, BJEL Staff Association has filed an appeal before the AAIFR, in which, the proceedings have been concluded by the AAIFR and final orders are pending. A revival proposal for BJEL based on report submitted by IDBI is under consideration of BRPSE.

### **THE JUTE CORPORATION OF INDIA LTD. KOLKATA**

The Jute Corporation of India Ltd. (JCI) is the Official Agency of the Govt. of India for implementing the policy of providing the Minimum Support Price to the jute growers and to serve as a stabilizing agency in the raw jute sector, However, when prices of raw jute rises above the minimum support level the JCI undertakes commercial operations. The JCI in April 2008, completed 37 years of service to the jute growers.

### **Infrastructure**

Currently, JCI operates through 171 purchase centres situated in 7 jute growing States namely, West Bengal, Assam, Meghalaya, Bihar, Orissa, Andhra Pradesh and Tripura. To increase market coverage, JCI associates involved co-operative societies to participate in the MSP operation in raw jute/mesta as agents of JCI. During the current year 2007-08, JCI procured around 4.4 lakh bales of raw jute under its MSP operation till December'2007.

### **Range of Services**

The Price Support Operation aims at procuring raw jute from the small and marginal farmers at the minimum support prices (MSP) fixed by the Government from time to time.

The price support operations undertaken by the corporation has been found to be the most effective measure to arrest intra-seasonal fluctuation in raw jute prices as it creates a notional buffer stock from siphoning of the excess supply of the market.

The Corporation also undertakes commercial operation i.e. purchase of raw jute at prices above the minimum support level on commercial consideration to generate profit.

The Corporation has entered the field for marketing of non-traditional jute products in collaboration with the Jute Manufacturers Development Council (JMDC) through a Sales Emporium 'SONALI' at Kolkata.

The Corporation provides service in the field of marketing research and acts as a decision-support-system in the field of agriculture marketing.

### **NATIONAL HANDLOOM DEVELOPMENT CORPN.**

The National Handloom Development Corporation (NHDC) Ltd., Lucknow, was set up by the Government of India in February, 1983 under the Companies Act, 1956 with the objective of ensuring availability of raw materials like yarn, dyes and chemicals and other inputs and to encourage production and marketing of handloom products by opening directly or assisting in the opening of marketing outlets. The total authorized capital of NHDC is Rs.20.00 crore and the paid up capital of the Corporation as on 31.3.2007 is 19.00 crores. With the aim to improve the market share of handloom products and increasing consumer awareness, NHDC has set up marketing complexes at Ahmedabad, Jaipur, Kanpur, Kolkata, Hyderabad, Mumbai, Indore and Delhi where various varieties of handloom products of different States/Regions are made available under one roof. The performance of NHDC during the last 3 years is as under:-

(Rs.in lakhs)

	2004-05	2005-06	2006-07
Sales Turnover	24172.27	25345.20	41716.25
Profit	78.29	50.33	103.90

The supply of Yarn, Dyes & Chemical and Fabrics by NHDC during the last 3 years is as under (Table 6.10To 6.12)

YARN:

**Table 6.10**

Year	Target (in lakh Kgs.)	Achievement (in lakh Kgs.)
2004-2005	281.90	205.38
2005-2006	225.00	226.44
2006-2007	280.00	452.61

**DYES & CHEMICALS:**

**Table 6.11**

Year	Target (in lakh Kgs.)	Achievement (in lakh Kgs.)
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2004-2005	13.00	13.14
2005-2006	14.00	18.23
2006-2007	14.50	20.70

## **FABRICS:**

**Table 6.12**

Year	Target (Rs. in lakh)	Achievement (Rs.in lakh)
2004-2005	150.00	113.59
2005-2006	150.00	236.42
2006-2007	150.00	151.97

With the aim of providing marketing support to the handloom sector, NHDC organized 4 exclusive Exhibitions for sale of Silk Products under the banner of 'SILK FAB' at New Delhi, Bangalore, Chandigarh, Hyderabad and Jaipur and 2 'WOOL FAB' at Lucknow and Dehradun for sale of woollen handlooms, during 2006-07.

Keeping in view the policy of the Government of India, while utilizing the financial resources available to the NHDC, the NHDC had declared dividend of Rs.10.50 lakh and Rs.21.00 lakh for the year 2005-06 and 2006-07 respectively.

## **THE HANDICRAFTS AND HANDLOOMS EXPORTS CORPORATION OF INDIA LTD.**

The Handicrafts and Handlooms Exports Corporation of India Limited (HHEC) was set up in June 1962, for promotion of export and development of trade in handicrafts and handlooms. Presently, HHEC is a two star export house engaged in exports of handicrafts and handlooms products (including handknotted woollen carpets and ready-made garments) besides undertaking export bullion. In 1997-98, the Government vide notification no. 80/97- Customs dated October 21, 1997, nominated HHEC alongwith other ten agencies for import of bullion under Open General Licence ( OGL) and sale in the domestic market. Subsequently, under Exim Policy 2002-2007 bullion has been put under OGL (subject to RBI Regulations) w.e.f. January 28, 2004.

## **CAPITAL**

The authorised and paid up capital of the corporation are Rs. 20.00 crores and Rs. 13.82 crores respectively. The entire paid up capital has been subscribed by the Government of India.

## ***WORKING RESULTS***

During 2006-07, the Corporation achieved the turnover of Rs. 71.74 crores against Rs. 1,065.13 crores in 2005-06. The main decline is in bullion import business, which has declined from Rs. 1,004.17 crores to Rs. 8.57 crores during the year. The decline is mainly due to steep price spurt in international market, spot delivery being

desired by local buyers wherein the designated banks have an edge due to availability of stock on outright consignment basis and steep reduction in pre-determined margin upto 0.03% by other nominated agencies. The decline in core area of exports is mainly due to slump in exports of silk and silk made-up items and appreciation of the rupee vis-à-vis US dollar.

The Performance of the Corporation in 2006-07 in relation to major indicators is given below:-

Turnover	-	71.74 crores
Profit before Tax	-	(3.98) crores
Profit after Tax	-	(2.67) crores

### **CENTRAL COTTAGE INDUSTRIES CORPORATION OF INDIA LTD.**

The Central Cottage Industries was set-up in the year 1952, under the management control of the Indian Cooperative Union, and in 1964 was taken over by Central Cottage Industries Association. The Central Cottage Industries Corporation of India Ltd. (CCIC) was incorporated on February 4, 1976, as a wholly owned subsidiary of the Handicrafts and Handlooms Exports Corporation of India Ltd. (HHEC). CCIC, with effect from March 23, 1991, ceased to be a subsidiary of HHEC and was brought under the administrative control of Ministry of Textiles, as an independent public sector undertaking.

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 at Delhi, Kolkata, Mumbai, Bangalore, Chennai and a franchise outlets at Gurgaon.

#### **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 during 2006-07 was Rs. 10521.37 lakhs against Rs. 6959.27 lakhs in 2005-2006, registering a growth of 22.18%.

#### **PERFORMANCE:**

The performance of CCIC during last 5 years is as under :

(Rs. in lakhs)

S.NO.	YEAR	TURNOVER	PROFIT / LOSS(Before tax)	EARNING IN FOREIGN EXCHANGE
1.	2002-03	5400.61	118.53	1840.90
2.	2003-04	5883.72	- 49.49	1960.88
3.	2004-05	6174.32	124.64	2819.69
4.	2005-06	6959.26	356.61	3058.80
5.	2006-07	10521.37	22.18	3564.02

6.	2007-08 (Provisional)			
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### **CENTRAL WOOL DEVELOPMENT BOARD**

The Central Wool Development Board (CWDB), Jodhpur was constituted by the Government of India in 1987 for promoting growth and development of wool and woollens. It pursues its objectives through various activities- market intelligence, improvement of wool and woollens, price stabilization, and quality control.

For the XIth Five Year Plan, the Board has undertaken following schemes with some modifications and addition of the components under fully funded central sector scheme to support different wool development activities and to provide support to the entire chain from shepherds to the end use of wool.

### **Integrated Wool Improvement and Development Programme (IWIDP)**

- A. Sheep & Wool Improvement Scheme:
- B. Angora Wool Development Scheme :
- C. Pashmina Development scheme :
- D. Human Resource Development & Promotional Activities

#### **2. Quality Processing of Wool and Woolen Products**

- A. Setting up of Common Facility Centre for Wool Scouring, Drying etc.
- B. Setting up of Wollen Shawl/Carpet Finishing.

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

During the 11<sup>th</sup> Five Year Plan, following new scheme is proposed to implement for social security for Sheep Breeders.

- A. Shepherd Insurance Scheme
- B. Sheep Insurance Scheme.

### **Integrated Wool Improvement and Development Programme (IWIDP)**

- A. Improvement of Wool Fibre:

#### **i. Sheep & Wool Improvement Scheme:**

Sheep & Wool Improvement Scheme having components for Health Care to sheep, Breed Improvement, to set up Multipurpose Extension Centers, Marketing



Support, conducting Training to sheep breeders, Product Development and Marketing assistance etc. to the sheep breeders.

For the current financial year 2007-08, the Board has made provision to benefit 4.50 lakh sheep, to distribute 3221 stud rams, to establish 2 Multipurpose Centers and 1 sheep breeding farm etc. with financial allocation of Rs. 2.63 crores. Up to December,2007, the Board has sanctioned Rs. 2.35 crores under above activities to benefit 4.25 lakhs sheep, to distribute 2715 stud ram and established one Multipurpose Extension Center.

ii. **Angora Wool Development Scheme** :

The Angora Wool Development scheme provides support for angora rabbit rearing activity among farmers, strengthening of Germplasm Centre (GPC), distribution of rabbit among farmers as foundation stock along with necessary training, providing angora cages, feed and nutrition support etc.

For the current financial year 2007-08, the Board has made provision to benefit 40 angora rabbit rearing families with financial allocation of Rs. 0.22 crore. Up to December,2007, the Board has sanctioned Rs. 0.139 crore under above activities to benefit 40 angora families in Himachal Pradesh and Uttaranchal States.

iii. **Pashmina Development scheme** :

The Board is implementing this programme for the development of Pashmina wool in Leh-Ladakh region of J. & K. State by providing incentives under its various components. For the year 2007-08, the Board has made provision to provide training to 150 nomadic breeders as paramedics, 20 training camps and 1 fodder bank etc. in Ladakh region and made a provision of Rs. 0.151 crore.

**B. Human Resource Development & Promotional Activities**

The Board has identified some areas for undertaking various training programme in collaboration with various reputed organizations/institutions/Departments on : Farm management for sheep; angora; pashmina, Sheep shearing by machines, Testing/report writing and quality control/assurance, Wool grading & marketing, Processing of wool and woollens products, Imparting training in latest weaving and designing techniques to weavers.

For the current financial year 2007-08, the Board has made financial allocation of Rs. One crore to impart training to 200 persons, organize Woollen Expos etc. Up to December,2007, the Board has utilized Rs. 0.92 crore under above activities by imparting training to total 101 persons and organized 12 Woollen Expos at different places.

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

The scheme of Quality Processing of Wool & Woolen (pre-loom and post loom activity) is to provide a comprehensive services for wool scouring, deburring, carding, dyeing, spinning, finishing stages. It will facilitate in improvement in quality of raw wool, finishing of woolen products and value addition to wool and woolens. The setting up of Integrated Wool Processing Centre in Carpet yarn manufacturing clusters will attract the spinners to modernize their obsolete and small yarn-manufacturing units.

A. A provision of Rs. 4.00 crores has made to set up 8 Common Facility Centers for Pre-loom activity regarding wool scouring, drying, deburing and carding etc. in the Annual Plan 2007-08. The scheme is being implemented in project mode of Rs. 50 lakhs or 50% of the total project cost, whichever is less as a machinery part. The implementing agency will bear expenses of land and building, manpower, recurring expenses etc.

B. A provision of Rs. 3.00 crores has also made to set up one Woollen Shawl Finishing Centre under post-loom activities of Quality Processing of Wool on the basis of Public Private Partnership and implemented through a Special Purpose Vehicle during the year 2007-08.

Under pre-loom activity, the Board has sanctioned Rs. 2.25 crore to establish 5 Common Facility Centers upto December,2007 out of total 8 Centres at different wool potential areas of the country.

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

The basic objective of these insurance plans are to provide enhanced insurance cover to sheep breeders in the case of natural death/accidental death, total/partial disability and for their sheep flock in the case of accident including fire, lightning, storm, tempest, flood, inundation, earthquake, famine and diseases contracted or occurring during the period of the policy for project areas.

In the event of death of sheep, sum assured of Rs. 1,200/- per sheep will become payable to the concerned sheep breeders. In the event of normal death of the sheep breeder, sum assured of Rs. 60,000 and in case of accidental death/total disability, Rs. 1,50,000 will become payable, to the nominee/beneficiary, respectively.

For the current financial year 2007-08, the Board has made financial allocation of Rs. 4 crores to provide insurance coverage for 45,000 sheep breeders and 8 lakh sheep. Up to December, 2007, the Board has sanctioned Rs. 4.00 crores and released first installment of Rs. 2.00 crores as Govt. of India contribution to benefit 8 lakhs sheep and 45,000 sheep breeders under insurance coverage in different wool producing States. The Board has released this premium amount to Life Insurance Corp. of India for Sheep Breeders Insurance and the Oriental Insurance Co. Ltd. for Sheep Insurance in the country.

**NATIONAL INSTITUTE OF FASHION TECHNOLOGY**

NIFT was established in New Delhi by the Ministry of Textiles as the apex body of human resource development for the textile & garment and allied sectors in 1986 in response to the growing need of the fashion industry, both in the domestic and international arena. With growing demand from industry across the country, NIFT established six more centers in the major garment centres of India viz. Kolkata, Chennai, Gandhinagar, Hyderabad and Mumbai in the year 1995 and in Bangalore in 1997.

NIFT offers various full time degree and part-time certificate programmes to develop professionals for Fashion Industry in India. NIFT also undertakes applied research studies and applications thereof in relevant areas of the fashion industry; particularly concerning the integration of locally produced materials, the requirements of mass production, improved product design and international marketing. It also provides technical assistance to artisans, craftsmen, manufacturers, designers and exporters of fashion products.

NIFT Act 2006 published in the Gazette of India on 14<sup>th</sup> July, 2006 confers Statutory Status on NIFT. The Act comes into effect from 1<sup>st</sup> April, 2007. The Act empowers the institute to award degrees and other academic distinctions. NIFT will be the first premier institute in the world to award its own Degrees in the field of fashion education.

In the year 2007-08 one Centre at Rai Bareilly is being started to cater to the need of large number of applicants from North India.