The Textile Industry covers a wide gamut of activities ranging from production of raw material like cotton, jute, silk and wool to providing high value added products such as fabrics and garments to consumers. The Industry uses a wide variety of fibres ranging from natural fibres like cotton, jute, silk and wool to man made fibres like polyester, viscose, acrylic and multiple blends of such fibres and filament yarn. The Industry plays a significant role in Indian economy by providing direct employment to an estimated 35 million people, by contributing 4% of GDP and accounting for 20% of total export earnings. The textile sector contributes 14% of the value addition in the manufacturing sector. The production process in textiles encompasses many activities viz. ginning, reeling, spinning, weaving, dyeing, processing, finishing and garment manufacturing. Because of the great diversity of activities involved, the grades of skills needed by the industry vary significantly. Thus from totally unskilled to highly skilled persons, cutting across caste, creed, religion, gender and experience i.e. a greatly diverse work force find employment in the industry.
The textile industry has shown remarkable resilience and has grown considerably in terms of installed spindleage, yarn production and output of fabrics and garments in spite of the manufacturing base being somewhat outdated. The spindleage capacity of the organised sector as well as that of Small Scale Industries (SSI) has increased from 37.91 million in 2000-01 to 39.03 million in 2002-2003. A noticeable feature in this growth process has been the installation of large number of open-end rotors in the 1990s, and the setting up of 100% Export Oriented Units (EOUs) in the spinning sector. The production of spun yarn is anticipated to touch 3051 mn. kg during the financial year 2003-2004. It is worth noting that the production of 100% non-cotton yarn has shown an upward trend in recent years and it is anticipated to reach 341 mn. kg during 2003-2004, registering an annual growth rate of 9.33% during the last three years. The production of cloth by all sectors i.e. mill, powerloom, handloom and khadi, wool and silk has shown an upward trend in recent years. The total production of cloth during 2003-2004 was 42,708 mn. sq. mtrs showing Compounded Annual Rate of Growth (CARG) of 3.40% during last five years. The cloth production from decentralized powerloom sector is expected to touch 27,258 mn. sq. mtrs. during 2003-2004, which is 63% of the total cloth production.

The per capita domestic availability of cloth in the country in 2003-04 is provisionally placed at 31.24 sq.mts.

**EXPORTS**

Textile products (including handicrafts, jute, coir) continue to hold an important share in the export basket of the country and account for 20% of total export. Textile exports during the period of April-February, 2003-2004 amounted to US$ 11.70 billion as against US$ 11.14 billion during the same period in the previous year, showing an increase of around 5%. The textile exports declined by 4.0% in the 1st quarter (April-June, 2003) and 11.2% in the 2nd quarter (July-September 2003). However, textile exports have increased by 4.8% in the 3rd quarter (October-December, 2003). This indicates that the downtrend in textile exports has been reversed and they are back on path of growth. Having regard to the anticipated demand in coming months coupled with the timely initiatives taken by the Government to boost capital investment, textile exports during the year 2003-2004 are expected to be in the range of US$ 13.5 billion.

Some of the major steps taken to increase exports are as under:

- Eleven projects sanctioned under the Apparel Parks for Exports Scheme;
- Setting up of Apparel International Mart at Gurgaon (construction in progress);
- Thirteen projects sanctioned under the Textile Centres Infrastructure Development Scheme (TCIDS) for upgrading infrastructure facilities at major textile centres;
The cost of textile machinery lowered through fiscal duty measures; and

The Garment and Knitwear Quota Policy amended to make it more transparent and exporter friendly.

COTTON

In the cotton season 2002-2003 (Oct-Sept), the production of cotton was 136 lakh bales of 170 kg each. In the cotton season 2003-2004, the production of cotton is estimated at 167.50 lakh bales (170 kg each) with estimated cultivated area of 76.57 lakh hectares.

Initiatives:

Technology Mission on Cotton – Progress of Implementation

Considering the importance of the cotton crop to the national economy, the Government of India has launched a Technology Mission on Cotton (TMC) from February 2000 to address the issues of low productivity and contamination. The Mission consists of four Mini Missions, which are being jointly implemented by the Ministry of Agriculture and Ministry of Textiles with the following objectives:

- Mini Mission I : Cotton Research and Technology generation
- Mini Mission II : Transfer of Technology and Development
- Mini Mission III : Improvement of Marketing Infrastructure
- Mini Mission IV : Modernization/Upgradation of Ginning and Processing factories

Mini Missions I & II are being implemented by the Indian Council of Agriculture Research (ICAR) and are Ministry of Agriculture respectively, while the Ministry of Textiles is the Nodal agency for implementation of Mini Missions III & IV. Upto March 2004, under Mini Mission-III, 109 project proposals have been sanctioned. The total estimated cost is Rs. 190.56 crore out of which Government of India’s share would be Rs. 95.65 crore. Under Mini Mission-IV, modernization of 380 ginning and pressing factories has been sanctioned at an estimated cost of Rs. 472.57 crore out of which Government of India’s share would be Rs 84.06 crore.

Contract Farming

The Integrated Cotton Cultivation is being promoted to address the problems of cotton farmers as well as industry by providing linkages between farm and the industry. In this programme a Coordinating Agency brings together the farmers, ginners and textile mills, provide technical cooperation and assured buy-back arrangements at a pre-determined market price. The Coordinating Agency will not only advise the farmers about crop management but also help them in providing inputs and marketing cotton.
The objectives of integrated cotton cultivation are as under:

(i) To ensure remunerative returns to the growers;

(ii) To improve productivity and quality of cotton by providing quality inputs such as seed, fertilizer and pesticides and know-how to the farmers; and

(iii) To make available cotton of desired quantity and quality to the user industry.

Two national level seminars were organized at Hyderabad and Ahmedabad on May 4, 2002, and June 24, 2002 respectively to promote integrated cotton cultivation. A few Memoranda of Understanding (MoU) were signed between the farmers group and Coordinating Agencies in the seminar, and constant efforts are being made to promote integrated cotton cultivation.

**JUTE**

The Jute Sector plays an important role in the economy of the country in general and of the eastern region in particular. About 4 million families are dependent on cultivation of jute and mesta. The jute industry provides direct employment to about 2.61 lakh workers and supports around 1.4 lakh people engaged in tertiary sector and allied activities. These apart, the jute industry contributes to the National exchequer from exports & through taxes & levies.

**Initiatives & Developments:**

**Capital Goods Subsidy Scheme**

The scheme has been extended for payment of assistance @ 20% for the establishment of new modern jute mills at new locations pertaining to jute growing areas with inadequate jute processing facilities on payment of Cess for at least three months.

**Jute Technology Mission**

The Jute Technology Mission with an overall outlay of Rs.458.34 crore is on the anvil and a revised draft is under consideration of the Planning Commission.

**External Market Assistance Scheme**

The scheme for export of specified categories of jute goods continued during 2003-2004. Additional External Market Assistance of 5% was provided on food grade jute products and jute cloth exported to enlisted Latin/Central American countries. The Jute Geo-textiles, Hessian and Sacking made ups were provided dual benefit of External Market Assistance (EMA) and Duty Entitlement Pass Book (DEPB).

**Developments Regarding Dilution of Compulsory Packaging**

On the recommendation of Standing Advisory Committee (SAC) and Inter Ministerial Committee, the Government issued a notification dated 12th July, 2002 specifying certain percentage of packaging of food grain and sugar in jute packaging material. The said notification was challenged by the Indian Jute Mills Association (IJMA) and others. In the meanwhile, the SAC held its 12th meeting
to recommend fresh percentage of measures for the jute year 2004-05. The Government is in the process of firming up a view on the recommendation of the SAC.

**Export of Jute Goods**

The export of jute goods increased substantially during the year 2002-2003. It increased 57% in quantity terms and 62% in value (Rupees) terms in comparison to the previous year 2001-2002. In absolute terms, the exports amounted to 229.2 thousand MT valued at Rs. 916.67 crore as against 146.1 thousand MT valued at Rs. 567.52 crore during the respective years.

**SERICULTURE**

India continues to be the second largest producer of silk in the world and has the distinction of producing all the four varieties of silk. In 2002-03, production stood at 15,700 M.T, of this Mulberry accounted for 88.7%, Eri 8.6%, Tasar 2% and Muga 0.67%. The Central Silk Board (CSB) continued its work in three broad areas of Research and Technology Development; Seed Maintenance; and Development of Sericulture and Silk Industry to support, supplement and facilitate the efforts of the State Govt.

Some of the major steps taken to boost this sector are as under:

⇒ The Central Silk Board through its R&D programmes Central Silk Board was successful in (i) evolving more productive and stress tolerant breeds and hybrids of mulberry and non-mulberry varieties of food plant and silkworm; (ii) adoption of an integrated eco-friendly pest and disease management protocol, and (iii) upgradation of reeling and processing technologies for silk.

⇒ Using its development programmes, thrust was given to growth of bivoltine mulberry sericulture in the traditional states and the expansion of non-mulberry silks in the North East Region as well as non-traditional areas.

⇒ Anti-dumping investigations were undertaken by the Directorate General of Anti-Dumping & Allied Duties (DGAD&AD) on a petition filed by the reelers affected by a fall in domestic prices of raw silk on cheap exports from China. Anti-dumping duty @ US $ 27.97 per kg. was imposed on all imports of mulberry raw silk (not thrown) of International grade 2A and below, originating in or exported from People’s Republic of China, w.e.f. 2nd July, 2003. Prices of raw silk have stabilized as a result.

⇒ The Silk Week was organized by the Ministry of Textiles in coordination with the offices of the Development Commissioner (Handlooms), Central Silk Board and Indian Silk Export Promotion Council in New Delhi between 15th and 17th December, 2003. The objective of the Silk Week was to create
awareness among producers, manufacturers and policy makers in New Delhi about the developments and innovations in the silk industry and sericulture, and its potential for export. The Silk Technology Seminar, a Conference of State Sericulture Ministers, a Fashion Show, and an Exhibition and Buyers Sellers meet were arranged as a part of Silk Week. The Conference of State Ministers of Sericulture reviewed the progress of sericulture and silk industry and in view of the changes in the trading regime and the pressing need to cut costs to become internationally competitive, unanimously resolved inter-alia that:

♣ Changes would be brought about by the States in their existing legislation, policies, marketing management systems to enable free interstate movement of produce and to permit vertical linkages along the entire silk processing chain.

♣ The National Silkworm Seed Regulatory Authority (NSSRA) would be set up to ensure quality of seed and to safeguard the interests of farmers.

♣ The Central Silk Board would set up a “Silk Mark Organisation of India” which would undertake the testing of silk products and promote the concept of quality silk with a ‘Silk Mark’ Label.

WOOL

The woollen industry in the country is small in size and is widely scattered. It is primarily located in the states of Punjab, Haryana, Rajasthan, U.P., Maharashtra and Gujarat. Forty percent of the woollen units are located in Punjab, 27% in Haryana, 10% in Rajasthan, while the rest of the states account for the remaining 23% of the units. A few of the larger units are located in Maharashtra, Punjab, U.P., Gujarat and West Bengal.

Initiatives:

Integrated Wool Improvement Programme

At the end of the 9th Five Year Plan period, the Central Wool Development Board (CWDB) undertook a Zero Based Budgeting exercise in respect of the 12 schemes it was administering in the 8th and 9th Plans for development of wool. As a result of this exercise, these 12 schemes were merged into 5 schemes in the 1st year of the 10th Plan (2002-03). Simultaneously, in discussion with the States, it was decided to design a larger programme with specific targets, greater flexibility in implementation and greater emphasis on the marketing of wool. This programme has been approved as the Integrated Wool Improvement Programme (IWIP), with a budget of Rs.35 crore for the period 2003-04 to 2006-07. The IWIP has two main components i.e. Improvement of Wool Fibre and Quality Processing of Wool. It is being implemented as a fully funded Centrally Sponsored Scheme since July 2003.
For the year 2003-04, a sum of Rs. 667 lakh was allocated to the Board for its various schemes and programmes. This allocation included provision of Rs. 600 lakh for Plan Schemes and Rs. 67 lakh for Non Plan. The Board utilized Rs. 610 lakh in the Plan allocation on the implementation of its various schemes and projects and Rs. 60 lakh on the Non-Plan side on establishment and other administrative expenditure in 2003-2004. An additional amount of Rs. 400 lakh was allocated to the CWDB for 2003-04 to implement the Special Package for the State of Jammu & Kashmir for the development of sheep, wool and Pashmina. It has been designed in line with the IWIP, with components for genetic improvement, purchase of cross bred rams, health coverage, product development, supplementary nutrition, strengthening of extension services and grading centres, publicity, information, training etc. The Board incurred an expenditure of Rs. 390 lakh in 2003-2004.

**Indo-Australia Joint Business Group**

The 3rd meeting of the India-Australia Joint Business Group on Natural Fibres and Textiles was held in New Delhi on 16th September, 2003. In the meeting the following was agreed:

- To increase information flow, timeliness of supply and control price volatility in raw wool, Australia would take steps to develop a business-to-business exchange for raw wool.

- Both countries would work together to draw up collaborative project proposals for:
  - Setting up of Wool Innovation Centre in NIFT for providing fashion, product and market development information and training in selected wool clusters;
  - Setting up of project for early stage-processing and wool technology training and quality assurance systems, based in the Wool Research Association (WRA) of India;
  - Starting a project for yarn prediction technologies for wool-cotton blends that would lead to greater productivities of short-staple spinning units and to innovative yarns and fabrics.

**Wool Procurement Initiative by Cotton Corporation of India**

The State of Rajasthan accounts for approximately 40% of total wool production in the Country. However, the State lacks a well developed marketing and procurement system for wool, which may help the sheep breeders and wool growers in getting the remunerative price for their produce. The Ministry of Textiles in consultation with State Government has assigned the task of developing a produce procurement system in the State of Rajasthan to Cotton Corporation of India (CCI). The Cotton Corporation of India
Ministry of Textiles

procured a total of 112 tonnes of wool in the shearing season August-September 2003 in the market yard of Bikaner. The initiative has pushed the prices of raw wool in the area up by Rs.4 to Rs.5 per kg, which in future would encourage growers to increase the production. The CCI is trying to broaden its catchment area for wool procurement by planning to procure wool in the Bikaner region at village level from next season with active cooperation of the State Government.

POWERLOOM

The decentralized powerloom sector plays a pivotal role in meeting the clothing needs of the country. During the year schemes such as modernization of Powerloom Service Centers(PSC), upgradation of PSCs’ laboratories continued. The production of cloth as well as generation of employment has been rapidly increasing in the powerloom sector. This sector not only contributes significantly to the cloth production in the country, but also provides employment to millions of people. The contribution of the powerloom sector to the total cloth production of the country was about 63% during 2002-2003.

Powerloom Package

In the Union Budget 2003-04, a package of measures were announced for the decentralized powerloom textile industry aimed at strengthening the existing programme for induction of technology in the weaving sector by:

- Enlarging the existing Technology Upgradation Fund Scheme (TUFS) to cover modernization of Powerlooms;
- Introduction of a new Group Workshed Scheme together with the State Governments to create a better working environment and obtain higher productivity; and improvement of other infrastructure facilities under the Textile Centre Infrastructure Development Scheme (TCIDS);
- Providing insurance cover to the powerloom workers against death, accident and disability under a special Group Insurance Scheme.

The Government has formulated necessary schemes to implement the package.

Group Insurance Scheme for Powerloom Workers

The Govt. of India has launched a revised Scheme for “Welfare of Powerloom Workers through Group Insurance Scheme” from 1st July 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/- shall be paid from the Social Security fund of Govt. of India through LIC and balance of Rs.100/- shall be shared between Govt. and beneficiaries @ 60:40. In case of Add-on-GIS, the total premium is Rs.180/,
which will be shared by Govt. of India and beneficiary on 50:50 basis.

**Group Workshed Scheme for Powerloom Weavers**

The Govt. of India has introduced a Group-Workshed Scheme for the decentralised Powerloom Sector, under the 10th five year plan, with an aim of setting up of Powerloom Parks with modern weaving machines to enhance the competitiveness of powerloom fabric in the Global Market. Under this scheme, subsidy for construction of work-sheds would be limited to 25% of the unit cost of construction or a maximum of Rs. 80/- per sq. ft. whichever is less. Ordinarily, an area of 14400 sq.ft is the norm per beneficiary, would be restricted. Promoters’ contribution will be 10% and the remaining 65% would be raised as loan from financial institutions.

**ORGANISED TEXTILES INDUSTRY**

The Cotton/Man-made Fibre Textiles Mill Industry is the single largest organized industry in the country employing nearly 10 lakh workers. Besides, a large number of ancillary industries viz. accessories, stores, dyes & chemicals are dependent on this sector. Even on a modest assumption that a worker’s family comprises five persons, the direct dependents on the organised textiles mill industry itself work out to about 50 lakh. During the year the following major initiatives were taken:

**Amendment of Technology Upgradation Fund Scheme**

One of the important thrust areas of the National Textile Policy 2000 is implementation of a Technology Upgradation Fund Scheme (TUFS). Launched by the Ministry on 1.4.99, the scheme aims at providing impetus to the modernization and technology upgradation of textile and jute industry. A 22 member Inter-Ministerial Steering Committee monitors and reviews the scheme on a regular basis. On the basis of the feedback received from the Technical Advisory cum Monitoring Committee and Industry Associations, necessary modifications are made in the scheme to improve its accessibility. To enable a greater number of small scale industries (SSI) units to avail of the benefits under TUFS the option to take an upfront 12% credit linked capital subsidy has also been provided. Till March 2004, a total of 2959 applications were received, of which 2709 applications were sanctioned. Out of Rs. 7320.14 crore of loan sanctioned, Rs. 5198.72 crore has been disbursed to 2299 cases. The Government has approved the enlargement of TUFS by offering small scale powerloom units an additional option of credit linked incentive of 20% of the cost of modern machinery admissible under the scheme, up to a cost of Rs. 60 lakh with the facility to obtain credit from a network that includes all cooperative banks and other genuine non-banking financial companies (NBFCs) recognized by the Reserve Bank of India. The duration of the
Scheme has been extended upto 31.03.2007.

**Package for the Organised Textiles Industry:** The Government of India, through Banking Division, Ministry of Finance, has announced a package for restructuring of high cost debts of textile units in the organised sector. The salient features of the package are as follows:

⇒ **Parameters determining the eligibility of units**

♦ The package would be applicable to all units in the organized sector with a minimum debt exposure of Rs. 2 crore.

♦ Technical viability will be assessed by the designated technical agencies.

♦ Units should have positive Earning before Interest, Depreciation, Tax, and Amortization (EBIDTA) in three out of last five years.

♦ The post-restructuring debt service coverage ratio should be at least 1:1.33. However, the time by which it may be achieved has been left to the lender to decide.

⇒ **Nature of Relief**

♦ The scheme would have a tenure of five years

♦ Banks/financial institutions (FIs) will be permitted to access external commercial borrowings (ECBs) and convert Rupee Term Loans into Foreign Currency Loans

♦ ECB borrowings by Banks/FIs will be permitted for 5 years

♦ The recipient units would pay interest at the targeted rate of 8% to 9% on rupee loan basis.

♦ The repayment of loans is not restricted to the five years in the scheme. The period of repayment may extend beyond 5 years but ECB will be permitted only for 5 years.

♦ The conversion of working capital into working capital term loan would be decided by the lenders. The rate of interest on working capital loans would follow the internal guidelines of the lender bank/ FIs.

♦ Accumulated liquidated damages and penal interest would be waived

♦ Accumulated interest liability would be frozen and converted into zero coupon bonds payable after five years in installments or at one time, as negotiated between the lender and borrower.

**Rehabilitation of National Textile Corporation**

The Board of Industrial and Financial Reconstruction (BIFR) / Govt. of India have sanctioned Rehabilitation Schemes for all the 9 subsidiaries of NTC. The salient features of the scheme are at Table 1.1.
Action taken so far:

- Mobilisation of Rs.1580 crore through Govt. Guaranteed NTC Bonds for payment of VRS to surplus employees.
- Payment of VRS compensation amounting to Rs.1226 crore to 36544 employees upto 31.03.2004.
- Payment of an amount of Rs.72 crore to clear the PF & ESI dues of those employees who have gone on VRS.
- Closure of 65 non-working unviable mills.
- Sale of surplus Land and other assets worth Rs. 460 crore upto 31.03.2004;

HANDLOOMS

The Handloom Textiles constitute a timeless facet of the rich cultural heritage of India. As an economic activity, the handloom sector occupies a place next only to agriculture in providing livelihood to the people. This sector accounts for 14.22% of total cloth produced in the country excluding cloth made of wool, silk and hand spun yarn. During the year the ongoing schemes and programmes such as Deen Dayal Hathkargha Protsahan Yojana, National Center for Textile Design, Weavers Service Centers, Cooperative Training, Design Development and Training Programmes and Welfare schemes for Handloom Weavers continued.

Initiative during the year:

(i) Bunkar Bima Yojana Scheme

The then Prime Minister in his Independence Day Address to the Nation on August 15, 2002 announced that the Government will start a Special Contributory Insurance Scheme for one million weavers and artisans combining the Janshree Bima Yojana with Group Insurance Scheme. Out of one million weavers and artisans to be covered under the scheme, eight lakh weavers will be

Table -1.1

<table>
<thead>
<tr>
<th>Particulars</th>
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<tbody>
<tr>
<td>1 Total No. of Mills</td>
<td>119</td>
</tr>
<tr>
<td>2 No. of viable mills sanctioned/proposed for revival</td>
<td>53</td>
</tr>
<tr>
<td>3 No. of Mills to be closed/proposed to be closed as per the schemes approved/under consideration</td>
<td>66</td>
</tr>
<tr>
<td>4 Cost of revival (Rs. in Crores)</td>
<td>3937</td>
</tr>
<tr>
<td>5 Funds expected to be mobilized including through sale of surplus land and other assets to finance the schemes (Rs. in Crores)</td>
<td>4831</td>
</tr>
</tbody>
</table>
covered under the handloom sector. Accordingly, the Government of India formulated a scheme called “Bunkar Bima Yojana”, which is a combination of Janshree Bima Yojana and Add-on Group Insurance Scheme, for implementation during the X Plan. The objective of the scheme is to provide enhanced insurance coverage to the handloom weavers in case of natural as well as accidental death. The scheme was approved in December 2003 for implementation in collaboration with the Life Insurance Corporation of India and the guidelines of the scheme were circulated to the State Governments/Union Territories. Earlier Group Insurance Scheme stands discontinued. A sum of Rs. 1.50 crore has been released to LIC in March’04 towards central Govt. share of premiunm.

(ii) Integrated Handloom Training Project

In pursuance of the announcement by the then Prime Minister on 15th August 2002 for skill upgradation of one lakh handloom weavers and artisans, an “Integrated Handloom Training Project” (IHTP) has been introduced and circulated on 19.12.2003 to all the State Governments/Weavers’ Service Centres. This project envisages imparting comprehensive training during 10th Plan to 90,000 handloom weavers/workers in technical, managerial and marketing skills to enable them to produce materials in keeping with current trends in domestic and international market. Besides training, the scheme aims at equipping the weavers with the necessary infrastructure for producing handloom goods. The training would cover various technical subjects relating to design development, weaving technique, dyeing & printing. In addition, every weaver covered under this project would be eligible for a grant of upto Rs.5000 for purchase of loom/loom accessories/equipment commensurate with the upgraded weaving/processing skills acquired during training. The project would be funded entirely by the Central Government.

HANDICRAFTS

The Handicrafts Sector enjoys special significance in the country’s economy in terms of employment generation as well as earning of foreign exchange through exports. Handicrafts being a State subject, its development and promotion is primarily the responsibility of the State Govts. However, the Office of Development Commissioner (Handicrafts) under this Ministry has been supplementing their efforts by implementing various developmental schemes at Central level for the Handicrafts Sector. In the year 2003-04, seven schemes namely, Baba Saheb Ambedkar Hastshilp Vikas Yojana (AHVY); Design and Technical Upgradation; Export Promotion, Marketing Support and Services; Research & Development; Training & Extension; and Financial Assistance to State Handicrafts Development Corporations / State Apex Societies continued to be implemented by
the Office of Development Commissioner (Handicrafts). A few initiatives taken during the year under report are:

(i) Special Handicrafts Training Project

In pursuance of the then Prime Minister’s announcement on 15th August 2002, the SHTP is being implemented by the office of Development Commissioner (Handicrafts). The Programme aims to benefit 10,000 artisans/weavers (with the financial implication of Rs. 7.57 crore) out of which 2200 would be trained for carpet weaving and 7800 would be on crafts other than carpet during 10th Plan through existing components of Guru Shishya Parampara under Design & Technical Upgradation scheme and training for carpets and crafts other than carpet under AHVY approved scheme. It is expected that implementation of SHTP would result in creation of productive workforce resulting in enhanced production of handicrafts and improvement in socio-economic status of artisan community as a whole. The objective of the project is to provide training to semi skilled artisans/carpet weavers to upgrade their skill to enable them to be responsive to changing market requirements. Broadly, the objectives of the scheme are as under:

- To upgrade the skill of existing as well as new craftspersons/carpet weavers.
- To transfer skill of Master-craftpersons to new trainees.
- To increase production base of crafts having high market demand.

During 2003-04, Rs.100 lakh was increased for conducting 337 training programmes benifitting 5800 artisans in SHTP.

(ii) Workshed for Handicraft Artisans

The scheme is primarily welfare oriented. It focuses on providing improved working conditions with emphasis on not only ample space for work, but also well ventilated and healthy working environment to the handicraft artisans, leading to better productivity and enhanced contribution to the national economy. This scheme is being implemented in J&K. The scheme provides for construction of worksheds both in rural and urban areas with a minimum area of 30 sq mtr. Financial assistance with the ceiling of Rs. 20,000 and Rs. 22,000 is available for rural and urban areas respectively. During 2003-04, 968 worksheds in J&K have been sanctioned with financial outlay of Rs. 1.98 crore.

(iii) Bima Yojana for Handicrafts Artisans

In pursuance of the announcement made by the then Prime Minister, Bima Yojana for handicrafts artisans was formulated by the Office of the Development
Commissioner (Handicrafts) with a view to providing benefit to handicrafts artisans. The scheme envisages to cover 2 lakh weavers/artisans under insurance cover during 10th Plan period. The scheme is being implemented in association with LIC of India. The objective of “Bima Yojana for Handicrafts Artisan” is to provide life insurance protection to the handicrafts artisans, whether male or female, between the age group of 18-60 years. There are two components under the Bima Yojana for handicrafts artisans:

♣ Coverage under existing ‘Janshree Bima Yojana’ of LIC and
♣ Add-on Group Insurance coverage for death.

During 2003-04, 62070 artisans were covered under Bima Yojana and an amount Rs. 60 lakh was released.

(iv) Artisans’s Credit Card (ACC) Scheme
The ACC scheme has been formulated with a view to providing adequate and timely assistance to artisans in order to fulfill their working capital needs. It was targeted to issue 2 lakh cards in the financial year 2003-04 and all the State Governments and banks were advised to play a proactive role in achieving the target. 16500 artisans credit cards till were issued 31.3.2004.

(v) Urban Haats
With a view to providing permanent-marketing outlets to the artisans’ community from rural as well urban areas, a plan scheme titled “Setting up of Urban Haats” was launched in the year 1999-2000 on the pattern of Dilli Haat, New Delhi. During the 9th Plan period 18 such Haats were approved by Planning Commission at commercially important and tourist oriented locations in the country, and the target was fully achieved. A provision for establishment of 20 Urban Haats has been agreed to during the 10th Five Year Plan.

During the year 2003-04, the following Urban Haats were sanctioned/approved in principle.

<table>
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<tr>
<td><strong>Mysore (Karnataka)</strong></td>
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<tr>
<td><strong>Dimapur (Assam)</strong></td>
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<tr>
<td><strong>Puri (Orissa)</strong></td>
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<td><strong>Konark (Orissa)</strong></td>
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<td><strong>Pune (Maharashtra)</strong></td>
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(vi) First World Conference on Handmade Carpets
The First World Conference on Handmade Carpets was inaugurated by Shri Atal Behari Vajpayee, the then Prime Minister of India on 4-5 November, 2003 in New Delhi. The Conference was organized to arrive at an action oriented, dynamic and sustainable growth strategy for the industry. This initiative would enable the Handmade Carpet Industry to better the current growth figure of 3% and achieve the projected growth of 10% within the next 5 years.

(vii) Seventh World Bamboo Congress
The 7th World Bamboo Congress was held in New Delhi, from 27th February-4th March, 2004. The event was organized in collaboration with the World Bamboo Organisation, International Net Work for Bamboo and Rattan, Planning Commission, Ministry of Textiles, which was also the nodal agency for this Congress, Agriculture Ministry and various other Government and private organisations. The Congress witnessed the launch of bamboo fabric, also termed as Indian Linen, which has been produced after an extensive research & development.

(viii) National Awards for Mastercraftspersons
The National Award ceremony was held on 12.12.2003 at Vigyan Bhawan, New Delhi.
Delhi in which His Excellency the President of India Dr. A.P.J. Abdul Kalam gave away the awards to 42 Mastercrafts-persons and weavers for the year 2000 and 2001. The National Awards are given to outstanding Mastercrafts-persons for focusing attention on their high level of skills and their exquisite creations. Each award-winner is given Rs.50,000 in cash, a Tamrapatra, an Angavastram and a certificate. Since its inception in 1965, 805 crafts persons/weavers in Handicrafts & Handlooms sectors have received National Awards.

FASHION/BUSINESS EVENT
of NATIONAL INSTITUTE OF FASHION TECHNOLOGY

With an objective of highlighting India’s potential in the textile sector, the National Institute of Fashion Technology (NIFT) organized an Event titled D.Sy.N. @04 in March, 2004. The Event was promoted by Ministry of Textiles and it included a series of fashion shows, a theme pavilion, exhibitions, seminars, business interactions. The event provided the right ambience for fostering the growth of the industry, by envisaging the active participation of supply chain partners like fiber, yarn and fabric manufacturers in the process of product development through designers.

JAMMU & KASHMIR PACKAGE

The then Prime Minister during his visit to the State of Jammu & Kashmir from 21st to 23rd May, 2002 announced on 23rd May, 2002 at Srinagar a Special Package for Employment, Rail, Road development, Relief and Security for the people of Jammu & Kashmir. The component pertaining to this Ministry in the J&K Package includes schemes for the development of Handloom, Handicraft, Wool and Sericulture in the State involving financial commitment to the tune of Rs. 70 crore. The schemes are drawn up so as to conform to the Xth Plan schemes & approach of each sector, but go beyond them in certain components and in outlay. The Ministry of Textiles has made provision of Rs. 23 crore from its own allocation for the 10th Five Year Plan. Planning Commission has approved an amount of Rs. 45 crore for the current Financial Year (i.e. 2003-2004). Most of the schemes/programmes of the Package in Handicrafts, Silk and Wool sectors have been approved by the SFC. The schemes/programmes in Handloom sector are under finalization/approval.

Employment Package: The then Prime Minister during his visit to Srinagar on 19.4.2003 announced a comprehensive plan to create at least one lakh employment and self-employment opportunities in Jammu & Kashmir over the next two years i.e. from August, 2003 to August 2005.

Task Force: Accordingly, a Task Force was set up by the Department of Jammu & Kashmir Affairs under the Chairmanship of the Cabinet Secretary. The Task Force constituted nine (9) Core Groups for
Sector specific/ detailed exercises. The Core Group on textiles was headed by Secretary (Textiles). The mandate of the Core-Group was to identify schemes/programmes in the handloom, handicrafts, sericulture and wool sectors for creation of employment opportunities in Jammu & Kashmir.

The Task Force identified 31500 employment opportunities in respect of textile sector, which will be under self-employment category. Of these, 6950 would be in the Jammu Region, 24150 in the Kashmir Region and 400 in the Ladakh Region. The implementation of most of the components of the package has started w.e.f. 15th August, 2003.

TEXTILES IN NORTH EAST REGION

The North Eastern Region comprises of Assam, Meghalaya, Arunachal Pradesh, Nagaland, Tripura, Manipur, Mizoram and Sikkim. The activities in the decentralized sector covering handloom, powerloom, sericulture, handicrafts, wool and jute continue to be the Region’s main source of gainful employment and income generation. The region’s silk fabrics, including the exclusive eri silk, as well as cane/bamboo based crafts have become popular not only in the country but also abroad on account of their uniqueness, quality and designs. Recognizing the immense potential of the region, the Ministry has striven to facilitate their promotion and development through various plan schemes. Special policy incentives have also been introduced for NER like raising the share of Central assistance upto 90 percent for all Centrally Sponsored plan schemes, as well as strengthening of the North Eastern Handicrafts & Handlooms Development Corporation (NEHHDC), now under the administrative control of the newly created Department of North Eastern Region (DONER).

ACTIVITIES RELATING TO PROGRESSIVE USE OF OFFICIAL LANGUAGE

For smooth implementation of Official Language Policy of the Union and encouragement of progressive use of Official Language Hindi in the Ministry, a number of activities are being organised of which the major activities are as under:

(i) Meetings of the Official Language Implementation Committee

The Ministry regularly organises meetings of Official Language Implementation Committee (OLIC) which are chaired by the Joint Secretary (Admn.) The last quarterly meeting was held on 22.3.2004.

(ii) Meetings of Hindi Advisory Committee

The Ministry has so far organised nine meetings of Hindi Advisory Committee of the Ministry. The last meeting was held on 3rd March, 2004 in New Delhi under the chairmanship of the then Minister of Textiles.
(iii) Organisation of Hindi Fortnight

The Hindi Fortnight was organised in the Ministry from 16th September to 30th September, 2003 wherein various Hindi competitions such as Essay writing, Noting and Drafting, Debate, Quiz, Dictation, Typing and Poetry recitation etc. were held. The Officers and Staff of the Ministry participated in these competitions. In order to inculcate interest in them for Hindi and also for encouraging attitude for progressive use of Hindi in day to day work, cash prizes were given to the winners of the competitions.

(iv) Publication of “Vastra Chayanika”

During the year under review, the Ministry brought out a booklet named “Vastra Chayanika” containing informative and useful articles on textiles and various useful topics related thereto, written by a number of eminent authors and technical experts. In addition, the Ministry continued the publication of its bilingual quarterly newsletter “Vastri”.

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