

4.1 Introduction

The textile industry is one of the key industries in the Indian economy, it employs more people than any other and contributes 2% of the GDP of the country and 15% of export revenues (Annual Report 2017-18, MoT). India's textile sector went through a period of rapid industrial transformation, both at a national and global level. Increased global competition and several structural reforms by the government of India brought the industry to the limelight after the MFA was phased out. Haryana's textile industry employs around ten lakh people, and the state exports readymade clothing worth three billion US dollars each year. It is necessary to identify the benefits of policies initiated by the government for the textile industry. Although, the effectiveness of policies targeting at a particular industry have not yet been determined as the system of industrial policy has many complexities. Often, it appears impossible to determine the influence of each and every policy action initiated by the government when number of policies are commenced in the same industry and at the same point of time (Hatase and Matsubayashi, 2018). The latter half of this chapter will cover many prospective initiatives and programmes implemented and pushed by the government. The current chapter analyses many policies and initiatives taken by the Central and State government of Haryana for the textile sector in India. Also, it addresses various shortcomings of these schemes and makes further recommendations to maximise the potential of these schemes prudently.

4.2 Initiatives taken by Central government for Textile Industry in India: Segment-wise discussion

The Indian government has launched various initiatives to strengthen different segments of the textile industry such as technical textile, handicraft, jute, handloom, powerloom, cotton, etc. which are discussed below:

4.2.1 Technical textile sector

The term "technical textile" refers to a textile material or product that is employed for its functional or technical features. Technical textile is based on its unique physical characteristics that make it desirable to other businesses and institutional customers. Technical textiles are more advanced in terms of technology and functionality and have a wide range of applications in a variety of industries, including automotives, healthcare, civil engineering and construction, agriculture, personal protection, and industrial safety. The government has launched eight significant measures for technical textiles, which are discussed below (Annual Report 2017-18, MoT).

A. Notification of 207 HSN Codes in Technical Textiles

The initiative of the Ministry of Textiles is marked as a watershed moment in the monitoring of import and export data, as well as the availability of financial support for technical textile items in the HSN classification book from chapter 1 to 99, as notified by Smriti Zubain Irani (207 HSN Codes as technical textile). This government initiative encouraged technical textile production and aimed to grow the market to Rs. 2 lakh crore by 2020–21 (Press Information Bureau, Posted, Release ID, 1561801).

B. Focus incubation Centre (FIC) – The Ministry of Textiles has initiated nine FICs and established associated manufacturing facilities. The Ministry has assisted prospective investors in establishing FICs and entering the technical textile industry.

C. Technology Mission on Technical Textiles (TMTT) - The Ministry of Textiles announced two mini-missions: the first lasted from 2010 to 2015 and cost Rs. 200 crores; the second lasted two years, from 2016 to 2017, and cost Rs. 55.3 crores. Besides, the construction of eight Centres of Excellence (CoEs), standardisation, indigenous prototype development, the establishment of common testing facilities with national/international

certification, and a resource centre equipped with information technology infrastructure are the main highlights of this initiative (Shahid, 2013, pages 155-156).

D. National Conclave on Technical Textile in Mumbai – The conclave centred around the government's and Techno Tex's release of the HSN Codes. In India, technical textiles account for between 12% and 15% of the whole textile value chain, whereas in some European countries, technical textiles account for up to 50% of the total textile value chain (Press Information Bureau, Release ID 1561572).

E. Scheme for encouraging the use of Agro-textiles particularly in the North Eastern Region – In the eight northeastern states, a total of 44 demonstration centres have been build. Additionally, 1242 agricultural textile kits were sent to farmers throughout the NER (North Eastern Region). Between 2013 and March 2019, different programmes were also conducted to raise awareness about the benefits of Agro-textiles in the NER. The fundamental purpose of this plan is to boost agro-textile consumption by enhancing agriculture and horticulture products in the N-E (North Eastern) states through a demonstration setup showcasing the usability of agro-textile products best suited to the region.

F. Scheme for encouraging the use of Geotechnical textiles in the NER – This scheme was introduced in March 2015 in the northeastern region and will remain in effect until March 2019. This strategy discusses two important components: the first is the use of major solutions and their installation on-site; the second is sensitive activities, training, capacity building, on-site testing, and market studies.

G. Schemes for encouraging the use of Agro-textiles across India (Excluding NER) - Ten demonstration centres have been established around India as part of this program, and 200 agro-textile kits have been provided to farmers. The scheme was supported for two years from 2015 to 2017 under the supervision of mini-mission 2 of TMTT.

H. Other Initiative - To stimulate the technical textile segment, the MoT has taken the lead in convincing all user ministries to incorporate technological textiles into their specifications, manuals, and guidelines, among other things. To accelerate the process, each ministry has been assigned a nodal officer.

4.2.2 Handicraft Sector

Handicraft is the art of creating a decorative thing entirely by hand or with the aid of only a few simple instruments. It is a significant historic section of the textile industry, with a broad range of creative and design operations involving the hand or talent of artists.

A. Promotion of Handicrafts

It is a ministry-led effort aimed at promoting, developing, and preserving the country's ancient handicraft items. The government supports craftsmen and their endangered crafts through financial help, technical support through Guru Shishya Parampara, infrastructure assistance, marketing and skill upgrading.

B. Standardisation of handicraft Industry

The standardisation is part of the Indian government's Pehchan initiative, which also includes the registration of handicrafts and direct marketing. To organise and standardise the Indian handicraft industry, the government has enrolled approximately 22.85 lakh artisans under the pehchan project. The registered tribal members or other artisans can directly reach their clients. The central government envisioned and developed a priority handicraft to ensure the authenticity of the product; additionally, the department established a portal, i.e., a handcrafted bazaar (Press Information Bureau, Release ID 1558445).

C. Visa Exemption to foreign designers in the Handicraft sector

Visa exemptions for foreign designers will assist handicraft exporters in hiring international designers to 'create and design' products by global trends and requirements, subject to the

following minimum salary condition: 16.25 lakh rupees per annum (Press Information Bureau". Release ID 1556841).

4.2.3 Silk Sector

Silk is a natural protein fabric that may be woven into textiles. It is created by certain insects known as larvae and fibroin to form a cocoon. The cocoon produces the most well-known silk produced by captive Mulberry, Silkworm, Bombyx, and Mori larvae. The Indian government has launched several programmes and events to encourage the silk industry, which are summarised below:

A. Central Sector Schemes (2012-17) – the Schemes which were implemented following the Central Silk Board's administrative framework are mentioned as below:

Central Silk Board: The CSB developed many silkworm races to boost the productivity and income of farmers engaged in sericulture (the production of silk and the upbringing-the raising of any breed/child up to its teenage stage) of silkworms. In India, four types of silk are available: Tasar, Erisilk (Multivoltine/Bivoltine) mulberry, and Muga. These races are superior and of greater quality, making them ideal for farming in India.

Research Coordination Committee (RCC) - The National RCC, which is chaired by a renowned scientist from the National Research Council, reviews, evaluates and approves research proposals continually. Members from CSB R&D Units serve on the RCC. It is a group of race authorisation experts that makes recommendations for the release of novel mulberry and silkworm types into the field.

B. Integrated Scheme for Development of Silk Industry (2017-20)

The Cabinet Committee on Economic Affairs authorised a three-year central sectoral scheme, from 2017-18 to 2019-20. It encompasses research and development, training programmes, technology upgradation and transfer, seed organisation and development, market development, and coordination for seed, yarn, and silk goods. It established a Quality

Certification System (QCS) to ensure the quality of silk, technology advancement, and development of export brands.

Several key points of this scheme are mentioned below:

- To expand and improve the silk sector's production by allocating Rs. 2161.68 crores by the end of 2020.
- Initiated manufacture of unique bivoltine silk capable of withstanding both heat and humidity.
- The distribution of enhanced reeling machines in place of thigh reeling as part of the 'Make in India' programme results in increased output and a higher quality of silk.
- The scheme benefits women, SC, ST, and other economically disadvantaged members of society.
- Research and development in the silk industry contribute significantly to the improvement of host plants, the addition of productivity-enhancing tools, and the production of disease-free silkworms in collaboration with the Ministry of Science and Technology, agriculture, and human resources development (Human Resource Development).

C. Catalytic Development Programme (CDP) (2012-17)

CDP of Central Silk Board covers the entire country, catering to extremely diverse, regional, demographic, rural, and urban demands. It is impossible to design a scheme that meets the need of all regions of the country. It has been successfully implemented in states, resulting in better quality, efficient delivery, and monitoring mechanisms serving people in the hinterland, among other benefits (Ministry of textile @ silk sector scheme).

4.2.4 Handloom Sector

In India, the handloom sector is highly valued and respected for its overall appearance and superior fabric quality. These products are only used on rare occasions, reducing the product's

sales frequency. The following initiatives in support of the handloom sector have been studied:

A. Comprehensive Handloom Cluster Development Scheme (CHCDS)

CHCDS is being implemented to build handloom clusters with a minimum of 1500 looms/clusters within five years, with an investment of 40 crores by the government of India. It is developing eight giant handloom clusters with several significant projects, including a dye house, Common Facility Centres (CFCs), garment units, and silk spinning units. These are operational and have been implemented through Public-Private Partnerships (PPPs) (Press Information Bureau, release ID 1558446). This scheme provides funding on a need-to-know basis for discoveries and enhancements such as complicated marketing, product development, technology advancement, and establishment of value addition centres, among others (Office of the development commissioner -Handlooms).

B. Outreach event of textile ministry (Handloom Product)

A two-day event was organised to examine the textile sector's successes, including accomplishments and achievements, as well as a path forward in the textile sector. A panel discussion was held on technical textiles, the ease of doing business in the textile industry, supply chains, and international market access. A road ahead also highlighted about developing the new capacities for the textile sector's sustainable and resource-efficient expansion.

C. Know India Programme (KIP)

It is a Ministry of External Affairs initiative, and the states of India jointly conducted the Know India Programme, in which 1600 plus youth from India and abroad participated in a series of 49 editions. The event's primary purpose was to engage with young professionals and students between the ages of 18 and 30 and educate them about their culture, heritage, and the advancements made by India in numerous fields, since textile is India's second-

largest employer, employing 70% women. Ministers of textiles have recommended that students and young professionals should attend Delhi Haat to view a variety of handicraft items. Additionally, the textile ministry promotes the Indian handloom brand and traditional handwoven fabric (Press Information Bureau, Release ID 1559253).

D. Artisan Speak

Handloom items were exhibited at an event that emphasized India's rich handloom and textile legacy, along with collaborations between the government, retailers (leading), and diverse textile businesses. Development Commissioner and textile company Weavers Service Centres (WSCs) have inked an agreement to work together in the development of the handloom industry. Firms in the textile industry can directly communicate their needs to handloom clusters, making it easier for WSCs to meet those needs. A long-term relationship between big brands and handloom clusters is beneficial to the textile industry's long-term sustainability (Press Information bureau, release Id 1561566).

4.2.5 Powerloom Sector

The whole value chain of the textile industry includes powerloom as one of its most prominent components. An assessment of powerlooms in the year 2013 revealed that 1.03 lakh (4.1%) of the 24.86 lakh powerlooms are shuttle-less looms. This stand for more than 57% of total fabric output and employs over 44.86 million people. Approx. 60% of the powerloom manufactured products are exported. Numerous programmes like the Group Workshed Scheme (GWS), Pradhan Mantri Powerloom Weavers' Credit Scheme (PMPCS), the solar energy scheme for powerlooms, and the Tex venture capital fund have been implemented to help powerloom weavers. The highlights of a few schemes for powerloom sector development are discussed below:

A. Yarn Bank Scheme

Special Purpose Vehicles (SPVs) are getting interest free corpus fund through this scheme. A group of powerloom weavers has formed SPVs to buy yarn at wholesale prices and sell it to small weavers at a reasonable price to eliminate brokerage fees and intermediaries. In addition, powerloom fabric production is expected to reach 22781 million square metres (MSM) in 2018-19, up from 22539 MSM the previous year, representing a 1% rise in output. The scheme has been approved for 73 yarn bank projects, with a budget of Rs. 23.263 crore (Press Information Bureau, Release ID 1558193).

B. In-situ up-gradation Scheme for Plain Powerloom

Financial support for powerloom units with at least eight looms, which are also economically weaker, is a primary goal of this scheme. To meet domestic and international competitiveness, plain looms are being upgraded and the loom fabric's quality and productivity are being improved.

C. Comprehensive Powerloom Cluster Development Scheme (CPCDS)

Under this scheme, the development of a cluster provides good infrastructure and the integration of various production chains that meet the business needs of SMEs to increase output and export.

Table 4.1: Government assistance for Powerloom cluster

SN	Component	Rate of Assistance under the CPCDS	Maximum Limit of assistance
1	Core infrastructure	40%	40 Crore
2	Common Facilities	40%	40 Crore
3	HRD / Training Infrastructure	50%	10 Crore
4	R & D Infrastructure	90%	10 Crore
5	Other need-based infrastructure	40%	10 Crore

Source: Ministry of Textile @ Schemes (Powerloom Sector Scheme)

These mega clusters are being built to provide modern infrastructure, enough training, cutting-edge technology, great human resources management methods, as well as a suitable number of market connections (RCPCDS, 2020). Table 4.1 shows the government's support for key components within each powerloom cluster.

D. Group Insurance Scheme (2003)

The Powerloom weavers between the ages of 18 and 59 who are covered by the insurance are protected in the case of natural death, partial or permanent disability resulting from an accident. After the death of a member of this plan, the nominee would get a payment of Rs. 65,000 (Powerloom and handloom sub-committee, 2014). In case of permanent or partial disability or death, below insurance, a cover amount will be given to the member as mentioned below:

On death caused by accident – Rs 1.5 lakhs

If accident cause Permanent disability - Rs. 1.5 lakhs

If accident cause Permanent partial disability - Rs. 75,000

Source: Ministry of Textile @ Schemes (Group insurance scheme for powerloom weavers)

4.2.6 Cotton Sector

Cotton is a natural fibre derived from seedpods, and it is used to generate yarn, which is then transformed into the fabric, and finally into clothing through fabrication and printing (National Textile Policy, 2000). India's government has taken several steps to promote the cotton industry, including the following:

A. MSPs operation of Seed Cotton

The government fixes MSPs to ensure that cotton growers in Kapas are paid a fair price each year. During the crop season 2018-19, cotton MSPs have increased by Rs. 1130 per quintal compared to 2017-18.

B. Cotton Corporation of India

When cotton seed prices fall below the MSP rates, CCI serves as a nodal agency/outfit for carrying out or controlling price support operations. Innovation is a major focus of CCI's efforts, as seen from the following initiatives (Ministry of Textile, 2018):

- 'PRAGATI' is the name of CCI's "ERP" system, which was implemented for the organisation's corporate offices and branches.
- A computer system-based programme has been developed to identify prospective cotton farmers.
- To take full use of MSPs, a full-fledged (100 percent) online payment system has been built to make direct payments into cotton farmers' accounts (Minimum Support Prices).
- "Cott-Ally," a smartphone app developed by CCI to keep MSP members up to date on the latest developments in the field, was launched.
- Developed a completely cashless monetary system.
- To keep tabs on branch operations and meet with the branch manager, video conferencing was implemented. This saved both time and money.
- An online inventory system has been implemented by the government to ensure that the warehouse is properly and efficiently managed.

4.2.7 Jute Sector

As a renewable energy source, the plant stems of jute are used to make jute fibre, which has a wide range of other applications. Jute is one of the world's most popular fibres since it is renewable, recyclable, and biodegradable. In India, the jute industry is one of the oldest and provides direct employment to approximately 3.7 lakh industrial workers in jute mills, which benefit 40 lakh farm families (National Jute Policy, 2005).

A. Jute Raw Material Bank Scheme

It is intended that bonafide organisations carrying out various activities on behalf of NJB establish jute raw material banks throughout the country, with a special preference for JIDS and NJB working areas, to provide a steady supply of raw jute. The goals of this programme are as follows.

- An entrepreneur's need for jute material might be assessed in this way.
- Providing a method for the creation of mobile bills.
- Create internet-connected e-marketing modes for reporting the availability of raw materials and accessories via an inventory monitoring system or software comparable to tally; an accounting package (National Jute Policy, 2005).

B. Major highlights of government support for Jute Sector

- The government has developed a better jute farming system known as ICARE to improve the jute sector (Improved Cultivation and Advanced Retting Exercise). For example, farmers have been able to increase their income by Rs. 10,000 per hectare and also there is an improvement in raw jute quality by utilising microbial assisted retting (Removal of fibre from woody tissue by partial rotting) and line sowing with seed drills. Weeds have been managed using nail-weeders and wheel-hoeing.
- The JCI has given farmers financial assistance of 100 crores for two years to improve the MSP operation and stabilise the price of jute.
- In Gandhinagar, a jute design cell has been set up by the 'National Jute Board' and the 'National Institute of Design' to assist the diversification in the jute business.
- Jute commodities from Bangladesh and Nepal are now subject to anti-dumping duties in India. Consequently, the demand for jute in the home market has surged by 2 lakh MT, and 13 mills in Andhra Pradesh have reopened, benefiting 20 thousand workers.

- Commercial and MSP (Minimum Support Price) operations allow JCI to conduct business online by sending funds electronically in the accounts of jute producers.

4.3 Initiatives taken by the Central Government which are common to all the segments of the Textile Industry

Although, the Government of India has taken numerous efforts to encourage several sub-sectors of the textile industry, such as technical textile, handicraft, handloom, powerloom, cotton, jute, and so on. In addition to this, the following schemes and initiatives cover all the segments and help the textile industry as a whole.

4.3.1 Amended Technology Up-gradation Fund Scheme (ATUFS) (2016)

For a period of six years (from 2016 to 22), the government launched the programme in 2016, spending Rs 17822 crore and including the committed liabilities of earlier programmes also. The TUFS guidelines were revised on August 2nd, 2018, to include an end-to-end solution for I-TUFS. Under this programme, 6468 enterprises received UIDs, resulting in a subsidy payment of 8156 crores. There is a proposed investment of around 24338 crores, and a projected subsidy value of approximately Rs 1795 crore. The objectives of this scheme are ease of doing business, employment development, and export promotion through 'zero effect and zero defect' manufacturing. Under ATUFS, the government provides a capital investment subsidy linked to creditworthiness.

The textile sector will benefit from the scheme, which will increase investment, export, employment, productivity, and quality, and reduce imports. This scheme will assist in the production of textiles using a technology that has been independently verified.

Some of the more significant concepts specified by the plan include technological textile, capital investment subsidy (CIS), financing agency, unique identification number (UIN), and technology upgradation.

Lending Agencies—It is important to note that only banks registered with the Reserve Bank of India (RBI) and notified by the TAMC are eligible to participate in this programme, as all are state financial corporations and industrial development companies (SIDCs) (Technical Advisory-cum-Monitoring Committee).

Technical Textiles—Agrotex, Meditex, Mobiltex, Packtex, Sportex, Buildtex, Clothtex, Hometex, Protex, Geotex, Oekotex, and Sandinduetex are all examples of technical textiles, which are used for their functional qualities and technical performance.

Capital Investment Subsidy under ATUFS scheme is available for the below different segments of the textile:

1. Weaving, knitting, and weaving preparatory
2. Technical textile
3. Processing of Fibre, yarns, fabrics, garments, and made-ups.
4. Garments and Made-ups manufacturing
5. Handloom sector
6. Silk sector
7. Jute sector

4.3.2 Integrated Skill Development Scheme (ISDS) for the Textile and Apparel

The government has launched this scheme to upgrade the skills of textile workers, handloom weavers based on the need of the different segments of the textile industry. The scheme has covered textile and apparel, handloom, handicraft, jute, sericulture, and technical textile. Under the scheme, all the facets of skill development would be covered, such as basic training, advanced training in emerging technologies, skill up-gradation, the orientation of modern technology, training of trainers, managerial skills, entrepreneurship development, and many more.

Some highlights of the scheme:

- A maximum cost per trainee will be 10000 born by the government.
- Training will be held based on the industry demand for different segments.
- Participation of the private sector will strengthen the training by incentivising the trainee as they can get employed after the training is over.
- The government will bear 75% of the total cost, and the rest will be met by industry contribution.
- The financial targets are to operate the project with an outlay of 1900 crore within the 12th plan under the scheme.

4.3.3 Scheme for Capacity Building in Textile Sector

Its main goal is to support the youth in acquiring the skills that they need for a successful and long-term career, and it's known as "SAMARTH." A National Skills Qualifications Framework (NSQF) curriculum for structured and associated textile sectors, but not for spinning and weaving, is available through this programme, which is demand-driven and placement-oriented. The Implementing Authority (IA), such as the textile industry and the Ministry of Textiles, uses three installment mechanisms to disburse funding for workforce capacity building and skill development. To disburse cash to Implementing Authorities over a certain period, follow the steps mentioned below in Table 4.2:

Table 4.2: Output Parameters

Installment	% of Total Cost	Output Parameters
1st Installment	30%	On Commencement of training against validated candidates
2nd Installment	50%	On Successful certification of trainees and placement of 70% of the certified trainees
3rd Installment	20%	Outcome-based on retention for 3 months in placement.

Source: Ministry of Textile @ Schemes (SAMARTH) pg. 10

4.3.4 North East Region Textile Promotion Scheme (NERTPS)

A total of 500 crores would be spent over the next three years on infrastructure, marketing, and capacity building for the textile sector in the northeastern region of India. The plan calls for the development of 32 sericulture (the production of silk and the rearing of silkworms) projects, the goal of which is to develop the entire production chain, from plantation to fabric manufacture, holistically (North-East Region (NER) Textile Promotion, 2020).

4.3.5 Export Promotion Initiative

As of November 1st, 2018, the Indian government has increased the tariffs under the 'Merchandise Exports from India Scheme' (MEIS) on textile products, including woolen and silk, from 2 to 4 percent for apparel and 5% to 7% for made-to-order items, handicrafts, and loomed products. The government has raised the pre-and post-shipment credit equalisation rate of interest from 3 to 5 percent in the textile business in the near future. In order to encourage the R&D and brand image in the silk sector internationally,' the government has developed a programme called silk smagra, which assists recipients from plantation to fabric production for advancements in quality and productivity.

4.3.6 Measures to curb imports of textiles

The Indian government took action to reduce textile and clothing imports by levying a 10% customs tariff on them. In October 2018, the government imposed further anti-dumping duties on linen and nylon filament yarn imported from China and Vietnam.

4.3.7 Investment facilitation cell under Make in India

An investment cell has been established the textile commissioner office in the Mumbai in accordance with the government's Make in India programme (MoT). Its primary goal is to advise and guide potential textile investors or entrepreneurs through the various stages of the business life cycle. Numerous incentivised schemes, expert advice and other possibilities are

disseminated by the cell to various areas of the business. Hence, it has become convenient for investors to take investment decisions (Textile Commissioner Ministry of textile @ policy).

4.3.8 Textile Export Quota Policy Notification No. 1/128/99 (2000-2004)

For the export of ready-to-wear clothing and knitwear to the USA, Canada, and the European Union, provisions are included in Appendix I, Schedule 2, Item No. 8 of the ITC (HS) Classifications of Export and Import (1997-2002). According to the Export-Import policy in effect at the time, only such exporters will be granted export entitlement with the appropriate registering body (Garments and Knitwears export entitlement (quota) policy, 2004).

4.3.9 Special packages for textile, apparel, and made-ups

- To help the textile industry growth in terms of exports, investments, and new jobs, the government pledged 6000 crores in June 2016 and 7148 crores in 2018, respectively.
- Under the Pradhan Mantri Paridhan Rozgar Protsahan Yojna (PMPRPY) programme, the government now bears the whole employer contribution portion of the Employee Provident Fund (EPF) (12 percent).
- Capital Investment Subsidy for clothes and made-ups was raised by 10% under ATUFS.
- The Indian government has increased the customs duty on 501 textile items by 10% to encourage and increase indigenous products and the "Make in India" programme in the country.

4.3.10 Textiles-eSamikSha

The online compliance monitoring mechanism of the Ministry of Textile allows users to submit, track, and monitor issues, data, and information related to numerous government agencies. In order to gain access to the logins and passwords, you must use a special security system. The eSamikSha platform must be used to keep track of any changes to the status.

4.4 Textile Industry of Haryana: Initiatives taken by the Government of Haryana

The government of Haryana has initiated several measures to strengthen the state's textile industry. The following are a few of the most important initiatives:

4.4.1 Schemes for Textile Park

The textile parks have been organised into A, B, C, and D blocks categories for ease of navigation. There must be at least five manufacturing units and a minimum of 10 acres of land to qualify for the development of a textile park in the "C" and "D" block categories. The "A" and "B" block categories, on the other hand, demand a minimum of ten manufacturing businesses and a 25-acre site (Department of Industries and Commerce, Expression of Interest (EoI) for Textile Park at Kalanwali).

A. Assistance to the textile park developers/promoters

Basic infrastructure such as internal roads, electrical systems, water distribution systems, communication facilities, sewage and drainage lines and storage facilities, as well as effluent treatment plants, are provided by the government at no cost to developers. Expenditures on infrastructure, such as boilers, would only be considered for financial aid.

B. Infrastructure Development Charges (IDC) - Infrastructure Development Charges are completely excluded (IDC). The sanctioned project's shared amenities must be completed within seven years from the project's approval date. The funding will not be received if a project does not reach 70% completion within a specific period (at least 7 units must be operational). To be clear, IDC and EDC will not be granted as an exception to those particular textile parks that have previously been granted a permit by the department of town and country planning.

4.4.2 Assistance for Technology Acquisition

All types of businesses in Haryana, up to a maximum of Rs. 25 lakh, will receive financial aid for the adoption of the new technology, up to a maximum of 50% of the total cost.

A. Support for Textile Machine Manufacturing

Increased interest subsidies on term loans at a rate of 3% yearly and capital subsidies at 15% of gross FCI have been provided to textile machine makers in Haryana to stimulate the state's expertise in textile machine production.

B. Mandi fees exemption

The Haryana Agricultural Produce Markets (HAPM) Act 1961 and Rule 1962 exempted existing and newly constructed cotton spinning mills from obtaining a license. New businesses in the state must pay a 0.25 percent market fee, whether they are ginned or unpinned (kapas, rui).

4.4.3 Infrastructure Improvement Initiative

By providing an enabling environment for new textile businesses, the government of Haryana hopes to foster growth in the sector. Developments in this direction are as follows:

A. The Common Effluent Treatment Plant (CETP)

The financial aid is limited to 50 percent of the project's real cost of INR 2 crore, whichever is lower. The SPV will be responsible for the entire cost of the land.

B. International Quality Testing Centre Panipat

Department of Industries and Commerce will assist in improving textile product quality by establishing a Quality Marking Centre located in the Old Industrial Area of Panipat.

C. Establishing a silver plant

To make silver, which is a necessary step in the spinning process in Charkhas for the production of khadi textile weaving yarn, a silver plant is set up. To improve khadi products, the government has taken this step.

D. CoE for Textile Development in Bhiwani

Bhiwani's Centre of Excellence provides a wide range of research facilities, quality certification, and consulting. COE is a video conferencing and consulting solution for disseminating knowledge.

E. Infrastructure development for STP-supplied ultra- and RO-treated water

The sewerage water treatment plant has given filtered water via pipeline to the textile cluster for industrial use and processing.

4.4.4 Support for Skill training/Entrepreneurship

Haryana is home to a wide range of reputed organisations dedicated to attracting and developing a diverse population of individuals. The textile industry in Haryana relies on highly-skilled labour to make high-quality products. The following is a list of some of the efforts that have been made in this direction:

A. Assistance in acquiring new skills

In order to create high-quality products, the state government collaborates with private businesses to train textile employees in the proper techniques. The government will cover 75 percent of the cost of the programme, and the private sector will cover the balance, up to a maximum of \$10,000 per learner. The textile industry can deliver a high-quality yield with a planned annual training of 50000 people.

B. Encouragement of Textile Training Centres

Training facilities in the state are getting 50% of their funding from the government to upgrade and install new technology.

C. Department of textiles has partnered with IIT Delhi to build a technical textile incubation centre, which was funded partially by the Indian government.

4.4.5 Interventions for Khadi Industry

The Government of Haryana has created a panel of designers from the reputed design institutions like NIFT. Various khadi institutions, funded by the Khadi Board and Khadi Commission, can rent retail space from the state government at a significantly reduced cost. These institutions would also be responsible for covering half of the rental costs. These retail locations are situated in busy areas, for examples shopping malls and airports which are often visited by tourist.

4.4.6 Facilitating new textile Parks and Cluster across State

At Panipat, the government of Haryana established a Carpet Cluster, while at Gurugram it established Garment Cluster, and at Sirsa it established Sock Cluster. The government coordinates with various textile departments, such as the DC-Handloom/Handicraft, council for Carpet Export Promotion and the council for Apparel Export Promotion.

4.5 Impact/Outcome of Initiatives taken by the Government

The textile industry has always been one of the leading industries of India. It has been continuously growing since its inception with the support of various government policies and schemes. The government has also implemented many institutional changes such as the all India handloom board, national jute board, national textile policy, NIFT, Central Silk Board, etc. Several schemes were launched through these institutions to promote the different segments (Handicraft, jute, silk, powerloom, handloom, technical textile, cotton) of the textile industry.

Financial assistance, technology up-gradation, employment generation, infrastructure development, and export have been the major concerns of the government policies and schemes for the textile sector in India. The cumbersome documentation and approval process created difficulty for entrepreneurs to get the full benefit of government schemes. Still, now the government has started an easy online process for approval of loans and subsidies, with

very lesser documentation formalities, to mitigate the challenges of the tedious approval process. The online training and dissemination of information through online apps make it easier for entrepreneurs to deal with the complex business environment.

ATUFS scheme provides financial assistance to textile manufacturing units, enabling them to produce qualitative products by using upgraded technology. This scheme provided 21606.7 crores as project cost for up-grading machinery for the different activity mills like processing, spinning, weaving, garments, etc. The total amount of subsidy claimed is 3203.31 crore under the scheme for the textile sector in 2018. Textile units have increased their capacity through this scheme and enhanced the quality and quantity of the products. These textile units could generate more employment for the vicinity (ATUFS revised resolution Government of India, 2018).

The CPCDS scheme has contributed significantly towards the growth of the powerloom sector and achieved organised growth of the industry. This scheme provides infrastructure assistance and other benefits such as training, updated technology, good market linkages etc. Therefore, it has increased the production and export of the powerloom sector (Powertex India, 2017).

The government has implemented a project titled ICARE, which has enhanced the quality and productivity of the jute sector. The improved practices of ICARE are weed management using nail-weeders, line sowing by the use of seed drills, wheel-hoeing, and distribution of certified quality seeds. These practices of jute assist microbial growth of jute (National Jute Policy, 2005).

The SITP scheme has significantly supported improving the living standard of workers of textile units and provided a good infrastructure base for these units. Textile parks have increased the output of various textile sectors for example yarn, woven, knitting, and garmenting especially woven sectors. But, some of the textile parks are looking for investors

as these are established in remote areas, and few of the textile parks are not fully functional because textile units in these parks lack integration and coordination (SITP, 2013). Nevertheless, 64 out of 72 parks have been generating employment for approx. 4 lakh people according to the report of the MoT, December 2016.

The government has introduced the HSN classification of codes for the technical textile sector. This has led to increased in the consumption of various sub-products of technical textile in foreign & domestic market (*Press Information Bureau, Posted on 29th January 2019*). The CoEs of technical textiles develop skilled and technically fit entrepreneurs and workforce by providing training, industry-based information, and testing support.

The government has taken a step to eliminate thigh reeling by 2020 by distributing Buniyad reeling machines to tribal reeler women. Female workers are the largest contributing workforce in each segment of the textile industry. According to Press Information Bureau, women reeler earns Rs. 125 per day by using the traditional method thigh reeling, but using a 'Buniyad reeling machine' can earn up to Rs. 350 per day.

Further, the government has started a Mobile app, e-cocoon, used for quality certification of the silkworm. This Mobile app supports entrepreneurs much in getting the authentication proof of silk product (*Press Information Bureau, posted 10th February 2019*). The CSB has taken a successful initiative by providing help in the production of bivoltine silk in India. This initiative has decreased the import of bivoltine silk (An upgraded quality of silk that can sustain in summer and winter equally). The production of bivoltine silk has been increased from 4613 MT to 5266 MTs with 14.16% growth, and production of raw silk & Vanya silk has been increased by 6.4% and 12.8%, respectively in the year 2017 (Central Silk Board, 2019). The Catalytic Development Program of the government has improved the quality of silk, increased efficiency in the delivery system, and up-scaled the sericulture activities (Strategic plan Ministry of textile, 2014). The government has levied an anti-

dumping duty on the jute goods imported from Nepal and Bangladesh. Consequently, the demand for indigenous jute in the domestic market has increased by 2 lakh MT and resumed 13 inactive textile mills in Andhra Pradesh. Thereby, it generated employment opportunities and benefitted 20 thousand workers (*Press Information Bureau report, Ministry of textile*).

Government fixes MSP from time to time to provide certain remunerative prices to the cotton farmers of Kapas every year. It increased Cotton prices by Rs.1130 per quintal as compared to last year's Crop season 2018-19. Introduction of an innovative technique of retting (Removal of fibre from the woody tissue by partial rotting) increased farmers' income by Rs.10000 per hectare and quality of raw jute (Annual Report, MoT, 2017-18). The component of the Powertex India scheme provides interest-free corpus funds up to two crores to SPV (subsidiary company/association). The weavers of powerloom have formed these SPVs to purchase yarn at wholesale price and provide yarn to small weavers at a reasonable price to avoid brokerage charges and middlemen (Powertex India, 2017).

4.6 Concluding Remarks

The government has introduced several schemes and policy initiatives to promote the textile sector of India. The majority of schemes are such as ATUFS, Make in India, export promotion scheme, SITP, HSN Classification of codes of technical textile, MSP. These schemes upgrade the technology, skills, employment generation, infrastructure, and qualitative and modern textile products to fulfill the international and domestic market requirements. Also, there are a few weaknesses and drawbacks of these initiatives and schemes such as the use of second-hand machinery imported from the EU, Japan, and China by using the ATUFS scheme, lengthy documentation process to get financial assistance by business enterprises, poor system of research and development, less availability of appropriate data, etc. have been identified.

Two potential schemes viz. ATUFS and the establishment of textile parks (SITP) seem more prospective for the textile industry in India. ATUFS scheme has supported producing innovative textile products. It is the intense requirement of this industry to compete globally and meet the changing trend of fashion. Hence, there is a need to focus on the policy initiative to meet the competition at global level (Sheth, Acharya, and Sareen, 2018, page 13). SITP has been providing a good infrastructure base, employment generation, and FDI in the textile sector. The government has also stressed increasing the export yield and curbing the import by introducing an anti-dumping duty on some major textile items.

4.7 Shortcomings of Various Schemes of Textile Sector

In the previous section, the benefits and importance of central and state government schemes for the textile industry have been discussed. These schemes have given the industry a competitive advantage. While on other hand, there are a few shortcomings that have been observed below:

- ATUFS Scheme of government provides financial assistance to upgrade the technology of textile manufacturing units, but monitoring of the scheme is poor. The benefitted textile units under this scheme imported second-hand machinery instead of new ones to get the cost advantage. Thus, the product of these manufacturing units is not capable enough to compete in the international market. Another drawback of this scheme is that it is not providing any export subsidiary.
- Two major drawbacks of the scheme SITP were observed, which are as follows:
 - A. Utilisation of funds is not satisfactory –Fund utilization by textile parks is not satisfactory because of various reasons:
 1. There is a need to take various approvals from state and central governments for starting the construction work of textile parks. It takes a lot of time so many textile parks are underutilisation of funds during that period.

2. Sometimes, during this procedural delay, the rate of land gets increased. Due to this, SPVs need to revise their financial strategies and withdraw their investment from textile parks to utilize that money somewhere else.
3. Some textile parks are short of funds because financial institutions don't sanction the loan quickly unless a large investment amount is involved.
4. Often, there is an issue in the land purchase and clearance, which takes more time. Hence, textile parks cannot utilise the funds on time.

B. Textile units are not coming up to Textile parks – Many textile units are unwilling to come to textile parks because of some reasons which are as follows:

- a. Rent of textile parks is high in comparison to an industrial area in the vicinity.
- b. Lack of marketing efforts to attract investors in textile parks.
- c. Unpredictability of government schemes and policies inversely impact the investment in textile parks.
- d. Majority of textile parks are situated in outskirts areas, and these outskirts areas are suffering from poor connectivity of roads.
- e. Availability of economic and skilled labour is a big challenge in the outskirt area of textile parks. Some of the undersized textile parks don't have hostel facility for labour is another issue.

Due to the above reasons, investment in textile parks doesn't bring productive results and incurs losses; even some textile parks have filed the cancellation application because of these ongoing issues.

- Export Promotion Capital Goods Scheme permits 'zero duty' import of those capital goods whose minimum expected produced product would be exported or fulfills at least average export obligations. Capital goods are not considered 'Input' of the production process to get increment in subsidy amount, so this is a fragile point of this

scheme. If these capital goods are considered input under the scheme, the amount of subsidy would automatically be increased, which yields an increased profit for the producer.

- TMTT scheme has been introduced to remove the impediments of technical textile by setting Mini mission 1 and Mini Mission 2. The major drawback of the scheme is that it doesn't grant any export contingent subsidy.
- Market Development Assistance scheme provides financial support to the activities for export promotion initiated by trade promotion organisations based on the yearly approved action plan. Market Access initiative scheme provides financial assistance for export promotion activities by focusing on a particular country and product. However, the scheme is providing benefit on a specific turnover amount of export, but there is no grant of subsidies depending upon export performance.
- Export-oriented Units (EoU), Electronic Hardware Technology Park), Software Technology Park), Bio-Technology Park are the infrastructure and facilities-based schemes of export promotion. These schemes encourage foreign exchange earnings, employment generation and pull the investment for the production of export items. Major drawbacks of these schemes are:
 1. Recyclable material of textile and various activities related to used clothing, secondary textile material, clipping, industrial wipers, yarn, blanket, shoddy wool, shawls, etc., are not allowed under the EoU scheme.
 2. Export of polyester yarn units through a third party has not been allowed, and the manufacturing units have to export directly on their own.

Under the advance authorisation scheme, the verification mechanism is not dependable. This scheme allows duty-free imports, and the resultant product of the same input has to be exported. The objection of the scheme is to grant additional material more than the

requirement of consumption so that verification of input and output system can't be verified accurately.

4.8 Suggestions

Some suggestions are mentioned below to mitigate the above-observed shortcomings or challenges of the schemes of the textile industry:

- Government should focus on rural, tribal, and less developed areas of the country, which have several artisans and weavers: they put in unique art and craft in making different textile products.
- There is a need to concentrate much on women workers belonging to each part of the country, especially for rural and tribal areas, as the women workforce is the largest contributing workforce of the textile industry.
- Although the government provides financial assistance for developing textile parks, there is a long process of approvals from state and central government. Even after getting the approval, there is an unexpected delay in getting the first installment (maybe approx. 2 years). Second and subsequently developing a park is undoubtedly a long time, which makes investors reluctant to invest in textile parks, and hence they start searching for other options. If it is required, then the government can make the parameters of the verification process stronger to provide the approval of financial assistance under any schemes/subsidies, but the payment should be released instantly after completing the approval process. The process of approval should be appropriate and stronger, but it shouldn't be long.
- The government provides financial assistance to small entrepreneurs or artisans through several schemes and initiatives, but they have to follow a lengthy documentation process, which obstructs them. It is suggested that if an entrepreneur or artisan is coming under any scheme and applying for that particular scheme to get

financial assistance, then the government should make sure that the paperwork should be so easy that artisan/entrepreneur himself seeks a loan/subsidy from Financial Institution without taking the help of any chartered accountant and Financial Advisor.

- Government should spread awareness about different schemes. Most of the aspirants (entrepreneurs) are not aware about these potential schemes of government which can be an important opportunity for them.
- Various manufacturing units are using second-hand machinery imported from the EU, Japan, and China to get a cost advantage. The units should establish a modernised and indigenous innovative system of machines in the textile sector to meet the global requirement of the Indian textile industry.
- The textile industry should make a strategy to fulfill the overall Indian domestic market requirement from fabric to fashion, as India itself is a very big market of textile & fashion but lack of availability of innovative products, various textile items are being imported from other countries of the world.
- The R&D facilities should be improved to produce the innovative products (which follows quality and trend both), it is vital for the textile sector.
- In the textile industry, there should be less documentation process and more digitalisation to increase the speed and efficiency.