

# **STATE TEXTILE POLICY**

## **PREAMBLE**

The Textile industry in the state economic structure occupies an important place. It is next to the agriculture. It does possess vast potentiality for creating employment opportunities to millions. It recognizes as a self-reliance industry, right from the production of raw material to the delivery of finished product, with substantial value addition at each stage of processing, and its major contribution to the country's economy. The Textile Industry is having new challenges and opportunities presented by the changing global environment. In fact, abolition of quota culture since Jan. 2005 ushered a new era containing huge opportunities for the Indian Textile Industry in the World Open Market. There is need for adopting a focused approach to maximize scope of opportunities and galvanize inherent strength of the sector.

The Textile Policy announced by the Govt. of India in the year 2000 has provided vast coverage to the textile sector. But, still there is need to improve the local environment and stimulate the efforts to transmit the state Textile Industry in to the framework of policy announced by the Govt. of India.

The State of Maharashtra is having highest area under cotton cultivation i.e. 3.50 million hectares (source TEKROYA TRENDS) and is second highest cotton producer in the country i.e. 6.7 million bales per annum (TEKROYA TRENDS)

In the State there are 3.96 million installed spindles and 10.054 million installed rotors (Tex. Comm. Mumbai) The state has a production capacity of 368.45 million kilograms of spun yarn and 339.51 million kilograms of manmade filament yarn (Tex. Comm. Mumbai). Out of it, in the cooperative sector there are 1.5 million installed spindles and 0.08 lakh installed rotors ( source M.S. Coop.Textile Federation,Mumbai)

On the other hand, in the state there are about 10.14 lakh power looms ( source Tex. Commr.) working in the decentralized power loom sector. These power looms at an average are producing about 10123.78 million meter cloth per annum and providing direct employment to about 2.00 million people.

The cotton or man made fiber yarn as per the requirement of the variety is a basic raw material for the powerloom sector. The power loom sector is spread over small villages and towns of the state. Each unit comprises of 2 to 4 power looms and termed as small and tiny units.

As per general assessment 70 to 80% units in the state are working on job work basis. The power loom holders in absence of adequate working capital are obtaining raw material from the traders and in turn produces cloth at certain rates of wages.

The power loom sector in the state requires 1012.38 million kilogram of yarn. The spinning mills under the cooperative sector in the state are just producing 1.20 million kilogram of yarn per annum, which is 10% of the total requirement of yarn by the power loom sector.

In addition to this, there are 30000 handlooms in the state. These handlooms are deeply rooted to the tradition and heritage of the state. In fact, these handlooms are structurally weak but traditionally strong. However, in this era of competition the Handloom sector is finding its survival quite difficult. It suffers about 25% Cost Handicap in comparison to power loom sector. Hence, the number of handlooms in the state is continuously declining and indicating bearish trend.

## **Vision**

1 Production of quality cloth ( including export quality ) by individual and integrated Textile Sector including old mills to meet growing demand through scientific management.

2. Sustainable and gainful employment, by increasing per capita income.
3. Adoption of updated technology.
4. Access to Global Market through PPP/ Joint venture.

## **Objectives**

1. Facilitate textile industry for forward / backward linkages.
2. Close coordination between state Govt., Central Govt. agencies.
3. Experienced management and optimum utilization of funds and capacity.
4. Strengthening of Marketing Infrastructure.
5. Making Information Technology integral part of the value chain.
6. Diversification of products including blend yarn, technical textile garments, nano textiles, organic textiles etc.
7. Eradicate job work system and promote self production system in Textile Sector.
8. Implementation of Health packages, social upliftment and Integrated Human Resource Development measures for Textile workers.
9. D+ Zone facilities shall be provided to the Textile parks.

## **Thrust Areas**

In the above scenario the area of thrust for the state Textile policy are identified as under.

1. Providing Technological Upgradation support to the Textile sector under TUF scheme.
2. Setting up of Textile Parks preferably in Vidarbha, Marathwada and Khandesh Region.
3. Rationalize debt equity ratio with special consideration Marathwada, Vidarbha and Khandesh region.
4. Development of Infrastructure facilities with integration from fibre to garment manufacturing.
5. Pilot projects for powerlooms in Malegaon (Dist. Nasik) and Bhivandi (Dist. Thane), Nanded and Nagpur.

## **Special capital incentive**

Suitable incentive either in capital or in the form of Interest subsidy shall be provided to the Textile units including spinning and ginning pressing units to promote employment.

## **The Interest Subsidy**

Credit based capital subsidy or suitable interest subsidy on capital investment and working capital shall be provided to the upcoming Textile units including spinning and ginning units to make them self reliance.

## **Sectoral Initiatives**

In order to have a plan approach to the exclusive development of the Textile sector the policy promises the sectoral development program as under.

## **COTTON**

1. Establishment of Spinning mills in cotton cultivation areas like Vidarbha, Marathwada and Khandesh shall be promoted and contract farming linkage shall be promoted.
2. State Govt. shall promote cultivation of high yielding varieties/hybrid cotton with higher fiber strength.
3. To promote Ginning Pressing activities (including existing units) mainly in cotton cultivation areas of Vidarbha, Marathwada and Khandesh Region etc. credit based capital incentive/subsidy including concessions in any other areas wherever needed, a special measure shall be taken up.
4. To reduce the cultivation cost of cotton variety basic need like seed, fertilizer etc. shall be provided at concessional rate.
5. Integrated activities in regard to cotton process and processing of bye product i.e. from cotton to garment shall be taken up.
6. The cotton growers areas of Vidarbha shall be taken on priority and 100 acre land shall be provided to start the integrated activities by establishing Textile Parks, and as per need for establishing Textile Zone and mini Textile park.

## **Spinning Mills Sector**

### **Programmes /Initiatives**

1. For speedy implementation of the erection program of spinning mill, priorities in credit linked fund allocation shall be made in assessment to progress in civil work and working spindles.
2. The incorporation of foreign investment or creating a joint venture with private sector or on lease shall be taken so that the closed mills and mills under liquidation may it be in cooperative or private sector can be restarted with duly modernized.
3. Technological up-gradation including standardization of machinery along with foreign machinery shall be taken up and revision of project cost and working spindle ratio would be assessed.
4. A project scrutiny/appraisal committee under the Chairmanship of Ho'ble Principal Secretary (Textiles) should be formed.
5. Arrangement shall be made with the coordination of Maharashtra Electricity Distribution Company for uninterrupted supply of electricity and possibilities shall also be worked out to make financial tie up in this regard under prevailing schemes of the central govt.
6. The further activities of the good working cooperative and private spinning mills shall be promoted for the establishment of pre and post linkage like Ginning-Pressing, Sizing, weaving, Dyeing, processing, Garment and knitting activities. For this very purpose their expansion project shall be accommodated under the prevailing scheme of N. C. D. C. subject to provision of the scheme.
7. Special emphasis is to be given to restart sick, closed or under liquidation spinning units (Cooperative and private) by private participation under modified Rehabilitation scheme with concessional rate of finance.
8. Project Cost based initiative as soft loan shall be provided to the Spinning Mill belonging to Backward Class/Tribal/ Minorities etc. It may also be member based policy for the units containing members of above communities. Preference to be given to cotton cultivating area of Back Ward region.

9. Benefit of mega project scheme shall be extended to the Textile Parks and may be diluted for Backward areas of Cotton cultivation.

## **Powerloom Sector**

### **Programmes/Initiatives**

- 1 The State Govt. shall promote the cooperativization of power looms and restart prevailing scheme of NABARD to provide working capital assistance.
- 2 Special emphasis shall be given for the establishment of common sizing facilities at the places of power loom concentration.
- 3 Suitable Interest subsidy may be provided to the small-scale power loom units who have obtained loan/working capital loan from the Nationalized/ Scheduled/DCC Banks to make the unit financially viable to existing and new units in cooperative and private sector.
- 4 All the facilities of D+ zone shall be extended to the Textile parks and Textile units irrespective of their being existence in specific sector.
- 5 The installation of powerloom units out of city areas will be deemed to have obtained N. A. and shall eligible to be accommodated under beneficiary schemes.
- 6 The State Govt. shall continue to supply electricity to the powerloom holders at concessional rate.
- 7 The Power loom holders working in thick populated area in unhygienic condition shall be provided incentives to establish power loom colonies/ Park in the Industrial Areas.

## **Handlooms Sector**

### **1. General**

This traditional Handloom sector has recorded continuous decline in previous three decades. The State Govt. is keen to provide burst of growth and intrinsic strength to Handloom sector.

### **Programmes/Initiatives**

1. Every possible measures shall be taken by way of publicity and propaganda to publicize the products of Handloom sector. Dist. Level Events, State Level, National and Inter-National Events shall be organised to make the product popular amongst the consumers.
2. Handloom Cloth Competition and Award Scheme shall be implemented at a Taluka and District level to evoke enthusiasm amongst the weavers working at ground level.
3. The role of National Institute of Fashion Technology and Weavers Service Centre shall be incorporated into the production activities of the sector.
4. To have tie-up with marketing chains like Fab-India, Big- Bazar, India- Bulls, Reliance- Retail chain etc.
5. Apex Corporations of the Handlooms shall be restructured to assist the sector.
6. Infrastructure facilities shall be provided and training programs shall be organised at various

clusters of Handlooms.

7. Focus shall be given to implement the Health package and insurance scheme with wide coverage. All possible measures shall be taken for Socio-Economic upliftment of the weavers.

## **SERICULTURE**

Sericulture is flourishing sector and requires much effort for its development. An independent Directorate has been established to promote the production activities of the Tussar mulbari and eri Silk filament yarn. It has been proposed to pre link the cocoon production with the farmers and post link the yarn production with the Handloom/ Power loom sector. Small entrepreneurs shall be promoted and assisted for setting up of reeling units at the places of cacoon production. However, emphasis shall be on employment generation and flow of benefits to the weaker section. The support system for the upliftment of the sector shall also be created. The will cover all relevant accept from soil to silk & fabric to garment. The policy shall speak in term of

- 1 Improvement of value addition in the post yarn sector and better facility for processing, design and product development.
- 2 Promotion of silk products in general and silk Handlooms product in particular, to sustain sectoral demands and prices. Pricing and Marketing will be relooked.
- 3 Procurement and selling shall be at depot level so as to make them profit centers.
- 4 Encouragement to PAITHANI production & marketing.
- 5 Encouraging corporate silk farming.

## **HUMAN RESOURCES DEVELOPMENT ( HRD)**

The HRD is to accord the highest priority in all the components of Textile Sector. The weavers and artisan need not only improve the tools and techniques for higher productivity, better quality and utility orientation their product but also to upgrade their knowledge in the field of market oriented designs and motifs, in order to maximise sales and augment their income. The over all objective of a thrust on HRD is the generation of employment, upgradation of workers, artisans and weavers and increase in their income levels. Special emphasis shall be laid down on establishment of educational and Training Institutes for Textile Workers. The Directorate of Textiles should also be strengthened and equipped with Research and Development (R and D). Equally, the role of Textile institutions working for the betterment of Textile workers shall also be made more effective by way of providing financial support.

### **Housing For Textile Workers**

In order to improve health and living condition of the Textile workers the State Govt. shall stream line various measures with the prevailing scheme of the Central Govt. to provide housing facilities on the line of Rajiv Gandhi Awas Yojna. However, if it will be needed, the State Govt. on its own shall take on the projects for the same.

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