

In this chapter, the history of textile in India, styles and traditions in India, textile products in India and Textile mills in India are studied. The general policy, organizational and functional set up of Ministry of Textiles, boards and bodies of Textile Ministry, Research associations working for Textile Sector, Various Acts applicable to Textile Sector in India and National textile policy of India have also been discussed. The condition of the textile industry in India, from the information published in the annual reports of the textile ministry of India during the period 2000 – 2008 and also the Challenges faced by the Indian Textile Industry have been analyzed.

3.1. Textile Industry in India

3.1.1. Introduction:

Textile Industry is one of the largest and oldest industries in India. It has a significant role in India as it fulfills one of the essential and basic needs of people. Textile Industry in India has a unique place and has maintained a sustainable growth over the years. This is a self-reliant and independent industry and has great diversification and versatility.

Textile Industry in India provides great contribution for the development of economy. It is the second largest textile industry in the world after China. It provides ample employment opportunities to people belonging

to all classes. After agriculture this industry provides employment to maximum number of people in India. India was famous for its textiles, which formed one of the chief items of export. Prior to the manufacturing processes being mechanized, textiles were produced in the home, and excess was sold for extra money. Most cloth was made from, wool, cotton, or flax, depending on the era and location.

Cotton industries of the nation play a dominating role in the Indian economy. This is an industry, which will never die, since the need for clothing will never come to an end due to the civilization of human being. Cotton industry is one of the oldest industries of the nation. It is based on agriculture. This industry mostly belongs to private sector rather than public sector.

Cloth was produced in the home, and the excess woven cloth was sold to merchants called clothiers who visited the village with their trains of pack-horses. Some of the cloth was made into clothes for people living in the same area and a large amount of cloth was exported.

This industry not only provides the employment opportunity to urban area but also to the rural area, i.e., cultivators, farm labourers etc., Thus it also strengthens the rural economy. Various ancillary industries are dependent on cotton industries for e.g., dyes, chemicals, machinery

manufacturers, spares etc. Thus cotton textile industry strengthens the overall national economy.

3.1.2. History of Textile in India:

The history of textile is almost as old as that of human civilization and as time moves on the history of textile has further enriched itself. In India the culture of silk was introduced in 400AD, while spinning of cotton traces back to 3000BC. The discovery of machines and their widespread application in processing natural fibers was a direct outcome of the industrial revolution of the 18th and 19th centuries. The discoveries of various synthetic fibers like nylon created a wider market for textile products and gradually led to the invention of new and improved sources of natural fiber. The development of transportation and communication facilities facilitated the path of transaction of localized skills and textile art among various countries.

Indian textile enjoys a rich heritage and the origin of textiles in India traces back to the Indus Valley Civilization where people used homespun cotton for weaving their clothes. Rig-Veda, the earliest of the Veda contains the literary information about textiles and it refers to weaving. Ramayana and Mahabharata, the eminent Indian epics depict the existence of wide variety of fabrics in ancient India. These epics refer both to rich and stylized garment worn by the aristocrats and ordinary

simple clothes worn by the common people. The contemporary Indian textile not only reflects the splendid past but also cater to the requirements of the modern times.

History of India and its civilization dates back to at least 6500 BC which perhaps make the oldest surviving civilization in the world. India has been a meeting ground between the East and the West. Through out its history many invaders have come to India but Indian religions allowed it to adapt to and absorb all of them. All the while, these local dynasties were built upon the roots of a culture well established. India has always been simply too big, too complicated, and too culturally delicate to let any one empire dominate it for long. Based on archeological findings, Indian Textile History can be broadly divided into five phases:

- a) Saraswati civilization
- b) Golden period
- c) Muslim influence in India
- d) British period in India
- e) Modern India after independence

3.1.2.1. Saraswati (Harappan) civilization:

Saraswati Civilization is also called as “Vedic period” in the history of India. Though India was famous even in ancient times as an exporter of textiles to most parts of the civilized world, few actual fabrics of the

early dyed or printed cottons have survived. This is due to a hot, moist climate and the existence of the monsoons in India. Fragments of finely woven and madder-dyed cotton fabrics and shuttles were found at some of the excavated sites of Mohenjodaro (Indus valley civilization). Of all the arts and crafts of India, traditional handloom textiles are probably the oldest.

The earliest settlers in India can be classified into two classes, namely Paleolithic man and Neolithic man. Paleolithic man lived on flesh of animals, wild fruits and vegetables. Neolithic men belonging to the new Stone Age cultivated land, grew corn and fruits, domesticated animals, made pottery and used fire. They lived in caves and decorated their caves with painting, constructed boats and went to the sea, spun cloths and buried their dead.

The Harappans cultivated grains such as wheat and barley. Cotton and woolen cloths and earthen vessels were in use. They traded with other parts of India and other contemporary civilizations. The Harappan society was divided according to professions.

When Aryans arrived the Harappan culture was partially wiped out. The Aryans established small agrarian communities throughout Punjab and adopted the agricultural life style that prevailed in the area.

3.1.2.2. Golden period of Indian History:

India's exports far exceeded her imports both in the number of items as well as in volume. India also imported glassware from Europe, high grade textiles like satin from West Asia, while China supplied raw silk and porcelain.

During the Sultanate period articles of everyday use as well as luxury articles were exported to Syria, Arabia and Persia from Bengal and Cambay. These included silks, gold-embroidered cloth caps, exquisitely designed clay pots and pans, guns, knives and scissors.

Foreign trade was in the hands of both local and foreign merchants. The traders of Malabar, Gujarat and foreign settlers controlled business in the port cities of Calicut, Khambat, and Mangalore. Chinese ships docked at Quilon and Calicut, while in Khambat the volume of trade was such that 3000 ships visited this port annually. This fact gives an idea of the magnitude of India's foreign trade during the medieval period.

The merchant community in the other parts of the country was a prosperous lot. The Gujarati and Marwari businessmen who controlled the trade between the coastal towns and North India were extremely wealthy and spent large sums for the construction of temples.

Thus India had always enjoyed a favourable balance in her trade relations with other countries. Her earnings from the export of textiles, sugar, spices and indigo alone went up to crores of rupees.

3.1.2.3. Muslim influence in India:

Right from ancient times till the establishment of the British Empire, India was famed for her fabulous wealth. Even during the medieval period, i.e. roughly from the 12th to the 16th centuries, the country was prosperous despite the frequent political upheavals. A notable feature of this period was the growth of towns in various parts of the country. These towns grew into trade and industrial centres which in turn led to the general prosperity.

The important centres of trade and industry were Delhi, Lahore, Bombay, Ahmedabad, Sonargaon and Jaunpur. Coastal towns also developed into booming industrial centres with large populations. The Mughal era witnessed the establishment of a stable centre and a uniform provincial government. During this age of relative peace and security, trade and commerce flourished. The burgeoning foreign trade led to the development of market places not only in the towns but also in the villages. The production of handicrafts increased in order to keep up with the demand for them in foreign countries.

The prime urban centres during the Mughal era were Agra, Delhi, Lahore, Multan, Thatta and Srinagar in the north. The important cities in the west included Ahmedabad, Bombay (then known as Khambat), Surat, Ujjain and Patan (in Gujarat). The flourishing trade centres in the eastern part of the country were Dacca, Hoogli, Patna, Chitgaon and Murshidabad.

India was famous for its textiles, which formed one of the chief items of export. In the east, Bengal was another important region for a wide variety of textiles.

Indian hand woven fabrics have been known since time immemorial. Well-maintained roads linking various parts of the country facilitated domestic trade. According to Barbosa's account, trade between Gujarat and Malwa was possible owing to the routes established in this area. The roads facilitated the exchange of goods between the different parts of the country. Limbodar in Gujarat and Dabhol in Maharashtra were major trade centres, which linked the northern and southern halves of the country.

Internal trade flourished due to the organised system set up by the government. But the price list fixed by the government brought in low returns for the traders.

3.1.2.4. British period in India:

However the political conditions in India in the 18th century brought about a sea change in the situation. This period was marked by decline of the Mughal government and the rise of the Maratha power. The Maratha invasions in northern India also adversely affected trade and commerce.

The rise of the British East India Company in the mid 18th century dealt a fatal blow to the prosperity of the country. In order to disrupt the trade relations between the Indian mercantile community and the foreigners, the Company imposed heavy duties on both imports and exports. After the Company had established its supremacy in Bengal, it prevented merchants from Asian countries from coming to the eastern provinces for trading purposes. The export of Indian textiles to England was totally banned.

The Company increasingly monopolised the foreign trade in India thereby reducing the mercantile community to bankruptcy. This so adversely affected the Indian traders that they turned to other professions for their livelihood. Thus the once glorious arts and crafts of India died a natural death.

Meanwhile, the development of the textile industry in Britain forced a transformation of India's economy. India had to produce raw cotton for export and buy manufactured goods, including cloth, from England, while the cottage industries that produced textiles in India were ruined.

The Indian cotton processing industry eclipsed during the British Industrial Revolution. The textile industry was established in eastern region in 1818 at Calcutta by Englishman Bowreah. Many ups and downs were faced by the textile mills from 1818 to 1947.

*The idea of starting factory production of cotton cloth and yarn in India took shape during the first two decades of the nineteenth century. The pioneers of the Indian textile industry were undoubtedly men of vision and enterprise, but moderation and realism formed the basis of their activities.

Apart from the fact that plant and machinery had to come from that country, a large part of the managerial and technical skill needed to be imported from there. It is therefore not surprising that the first cotton mill in India was established by a leading firm of English traders. It was started in Calcutta towards the end of the second decade of the 18th century, but it did not turn out to be a commercial success.

* Ref. – History of the Indian Cotton Textile Industry by V.B. Kulkarni

The second cotton mill in Bengal, which came into existence in about 1830, was, however more fortunate. It is now known as the Bowreah Cotton Mills Co. Ltd. Like most of its counterparts it began as a spinning unit and had 30,000 spindles in 1854. Although Bengal had long been the home of textiles it could not provide a congenial climate for mechanized production of cloth and yarn until the beginning of the 19th century.

Pondicherry, a French settlement in the south, and the savanna mill came into existence and started working in 1830. This venture was gradually improved by the addition of flattest machinery and by the 1860's the status of the mill was raised to a standard composite mill. The industry however found its most hospitable home in western India and more especially in the island of Bombay.

In 1828, a textile industry was started in Pondicherry in South India, by the French ambassador general of that place. The name of the mill was Blin and Delbruick Mill. In 1854, four mills were constructed in the western region namely Bombay spinning and weaving company, Oriental spinning and weaving company, James Landon mill and Shahapur mills.

In 1930 the Swadeshi Movement was started by Mahatma Gandhi. Our country was famous for hand made muslin's in the world. Though the earlier owners of this industry did not receive any technical or academic

education in this field, yet they succeeded. But today it has become well equipped. Cotton textile industry is an important and equivalent to the engineering and iron and steel industry. This industry mostly belonged to the private sector rather than the public sector.

The British rule in India can be divided into two phases. In the first half, the activities of the British were merely limited to business and trading. Their political presence was felt only in few places of the coastal areas. In the beginning of the 18th century the foreign trading in India was already 100 years old. The East India Company was one of the major traders and its main settlement was in Calcutta, Madras and Bombay. The company's trade was based on import of cotton cloths woven by the expert weavers of India. Their main trade aim was to cater to the worldwide need for washable, cheap and lightweight fabric meant for furnishing and dressing. The company picked up those places for settlement where cotton textiles were readily available for exports.

Whatever the farmers produced nearly one third of the production was meant to be paid for tax. They introduced various oppressive laws that sometimes led many people to starve to death. The main aim of the British rule was to acquire cheap raw materials from India and export them to their country and simultaneously to construct an internal market.

From 1920 leaders like Mohandas Karamchand Gandhi emerged into the political scenario of India and started initiatives to organize people against the British rule. Anti British activities like Swadeshi movement against British Raj took place and spread all over the Indian sub-continent. With colossal efforts by the Indian political leaders followed by bloodshed of common people, India gained its independence on the zero hour of 15th August, 1947.

3.1.2.5. Modern India:

*From time immemorial India has been the home of cotton. She is claimed to have known its use as far back as four thousand years before Christ. The textile industry of ancient and medieval India, however, nursed a fatal weakness. While the spinners and weavers attained the level of specialization in their craft they never organized themselves into corporate bodies.

In importance the industry was second only to agriculture and yet it remained extremely vulnerable. It was called upon to cater to two different types of customers namely the pleasure loving richer class and the general mass of Indian humanity. Except in towns and cities, the spinning and weaving was essentially a cottage enterprise practiced extensively in the country side. And since the village economy rested on

*Ref. - History of the Indian Cotton Textile Industry by V. B. Kulkarni

self sufficiency, the rural artisans remained not only isolated but never felt any compelling need to weld themselves into a closely knit fraternity either on a regional or on a country wide scale.

The position in the urban areas, was, however somewhat different. The men engaged in cloth production worked in “karkhanas” or workshops, especially in the capitals of kings and governors. Nevertheless, the production of textiles was essentially a household enterprise so that the modern concept of trade unionism was wholly unknown in those times, in a country where social divisions are largely based on the profession, the textile workers were divided into numerous mutually exclusive sub-castes.

The carders, the spinners, the weavers, the dyers, the bleachers and the printers formed themselves into distinct groups and functioned accordingly. To add to this handicap, the earnings of the textile producers were poor. Their entire future depended upon the goodwill of the merchants who financed their operations on the patronage of the richer classes.

The Textile Industry was among the largest of British industries from the point of view of both earnings and employment. The penetration of British manufacturers into the farthest corners of the Indian sub-continent was rendered possible by the introduction of the railways.

Quick modes of transport and communication, especially in a big country like India, are undoubtedly a great asset.

Its founder at Ahmedabad acclaimed, as the Bolton of the east, was an ex-government servant with modest means of his own. This enterprising man bore the name of Ranchlaodlal Chhotalal Seth. Help was given to him by James Landon, an Englishman who came to India in 1848, and won fame as a pioneer of cotton mill industry in western India; the Seth was able to start the first power driven spinning mill in Ahmedabad in 1861. His enterprise proved contagious and good number of businessmen followed his example so that by 1900 there were in the capital city of Gujarat as many as 27 cotton mills nearly all of them producing only yarn.

The Indian cotton mill industry has had the most chequered career since it came into existence over a century ago. It has certainly seen prosperous years but they have not been many. The industry's career may be broadly divided into two phases embracing the pre and post independence periods.

The problems that face the industry in the free India are fundamentally different from those it had to contend with in the pre independence period. The partition of the country in August 1947 deprived the Indian cotton mills of access to large supplies of superior cotton besides

causing a loss of assured home market for nearly 1000 million yards of its fabrics. In addition, it had to grapple with the problem of replacing the over worked productive equipment and modernizing it to secure the two fold advantage of efficiency and economy in production. Its wartime earnings were certainly good and the problem of plant renovation and modernization would not have become intractable if there had been only a moderate rise in textile machinery prices. The prices, however, rose to abnormal levels because the British and other textile machinery makers had besides having to cope with a high cost of production to meet the demand for their manufactures on an enormous scale from a large number of countries.

3.1.3. Styles and Traditions in India:

Textile Industry represents the rich culture, tradition, heritage & economic well-being of a country with diversified range and versatility. At the same time industry is competitive enough to fulfill different demand patterns of domestic and global markets.

Ibn Batuta the 14th century Moorish traveller saw many cotton trade centres during his sojourn in Bengal. Silks were also manufactured there. The textile products included quilts of embroidered tussar, or munga on a cotton or jute, silk and brocade edged handkerchiefs. Dhaka muslin was renowned for its fineness. Kasimbazaar in Bengal was

an important trade centre for cotton and silk goods. Sirbund, a type of cloth used for tying turbans was manufactured in Bengal.

Similarly, Malabar in Kerala was also famous for its coloured and printed cloth material. The other important textiles producing centres in the south were Golconda, Shaliat and Pulicat. The last two were major trading centres for a wide variety of cottons. Golconda was famous for its Kalamkaaris. These were finely painted cotton fabrics with motifs from Hindu mythology. They were exported through the port city of Masulipatnam. Palampores, which were another variety of painted fabrics, were popular in the Mughal and Deccan courts. These were bedspreads made of Calico cloth. The borders of these pieces were block printed while the centre depicted the 'Tree of Life' motif made by hand. Indian textiles whether from Bengal, Gujarat or the South were highly appreciated abroad for their fine texture, elaborate design and brilliant colours.

Carpets were used both in ancient and medieval India but it was in the 16th century during the Mughal era that the skill of carpet weaving touched new heights. It had become an important profession by then and all the major courts of the country encouraged it. The carpets produced during the Mughal era depicted either animals in combat or flowers. The flowers were woven so meticulously that they could be easily identified.

Duarte Barbosa a Portuguese official in Cochin in the early 16th century described Gujarat, in the western region as a leading cotton trade centre. Textiles from Gujarat were exported to the Arab countries and to South-east Asia. Patola, which is a kind of silk dyed in natural colours, was highly popular in South-east Asia. It was very much in demand among the wealthy classes in Malaysia, Indonesia, and the Phillipines.

The distinct styles and traditions of Indian textiles is given below:

- ❖ Silk and cotton weaving predominates the rich tradition of weaving in India. Silk weaving is most popular in various parts of the country. Assam, Banaras, Mysore, Surat and Kanchipuram are all important centers of silk weaving. All these centers specialize mostly in cotton and silk sari weaving and some of the popular traditional Indian saris are Banarasi, Patola, Baluchari, Pochampalli, Paithani and many others.
- ❖ The ornate style of appliqué most commonly done bright colored fabrics from the Kutch region of Gujarat is very popular in the country as well as in abroad.
- ❖ The state of Punjab is famous for its phulkari work.
- ❖ Lucknow, a city in Uttar Pradesh is famous for its chikan work

The contemporary Indian textile not only reflects the splendid past but also caters to the requirements of the modern times. The rich tradition of textile in India has been favoured by a number of factors. The

favourable factors leading to the extensive growth of textile tradition in India is due to the easy availability of abundant raw materials like cotton, wool, silk, jute and many more like widely prevalent social customs, variety of distinct local culture and constructive geographic and climatic conditions.

3.1.4. Textile Products in India:

Each and every region of India contributes in creating a myriad of textile tradition. The hilly region of the country produces a rich variety of woolen textiles. The pashmina and shahtoosh shawls of Kashmir, shawls and woolen garments of Himachal Pradesh and other north eastern states provides excellent examples of world famous woolen Indian textiles. There are different varieties of shawls - with borders on both opposite sides, borders on all four sides, shawls with floral patterns, shawls with natural images or Phulkari work etc.

The barren and semi barren regions like Rajasthan and Gujarat usually prefers embroidered bright colored textiles. The coastal areas of the south eastern regions prefer light colored fabrics and particularly cotton and silk textiles are very popular over here. The home furnishing utilitarian textile products like bedspreads and sheets, pillows and cushions, linens and mats, curtains and napkins, carpets and rugs and many such other items are produced by all parts of the country. Apart

from those mentioned, each and every region and state of India has its own distinct individual style in textile.

Today Indian rugs are in demand. These are very cheap and easily available. During their invasions, Muslim rulers introduced rugs. These rugs were of Persian style and were preferred to Indian rugs. Due to the flourishing industry of rugs, weavers shifted their focus from shawls to rugs.

Andhra Pradesh has made a significant contribution to the history of hand-printed textiles in India. Printing is native to the land, its pigments being obtained from the flowers, leaves and barks of local trees and its chemicals obtained from clay, dung and river sands. A new technique has been developed in the northern sectors where warp threads are lined, measured and tied to the loom and then printed. The warp-printed material is a specialty of Haryana and Uttar Pradesh.

India also produces a range of home furnishings, household linen, curtain tapestry and yardage of interesting textures and varying thickness, which have been devised by using blended yarn. Given the wide and exciting range of handloom it is not surprising that the rich and beautiful products of the weavers of India have been called "exquisite poetry in colourful fabrics."

In the world of handlooms, there are Madras checks from Tamil Nadu, ikats from Andhra and Orissa, tie and dye from Gujarat and Rajasthan, brocades from Banaras, jacquards from Uttar Pradesh, Daccai from West Bengal, and phulkari from Punjab. The famed Coimbatore saris have developed while imitating the Chanderi pattern of Madhya Pradesh. Daccai saris are now woven in Bengal.

Woolen weaves are no less subtle. The states of Kashmir and Karnataka are known for their mulberry silk. India is the only country in the world producing all four commercially known silks - mulberry, tasser (tussore), eri and muga. Now gaining popularity in the U.S.A. and Europe tasser is found in the remote forests of Bihar, Madhya Pradesh, Orissa, West Bengal, Andhra Pradesh and Uttar Pradesh. Another kind of raw silk is eri. Eri is soft, dull and has wool like finish.

Assam is the home of eri and muga silk. Muga is durable and its natural tones of golden yellow and rare sheen become more lustrous with every wash. The designs used in Assam, Tripura and Manipur are mostly stylized symbols, cross borders and the galaxy of stars.

Assamese weavers produce beautiful designs on the borders of their mekhla, chaddar, riha (traditional garments used by the women) and gamosa (towel). It is customary in Assamese society for a young woman

to weave a silk bihuan (cloth draped over the chest) for her beloved as a token of love on Bohag Bihu (New Year's Eve).

From Andhra Pradesh, Orissa and Gujarat come the ikats. The ikat technique in India is commonly known as patola in Gujarat, bandha in Orissa, pagdu bandhu, buddavasi and chitki in Andhra Pradesh.

The Orissa ikat is a much older tradition than Andhra Pradesh or Gujarat, and their more popular motifs as such are a stylized fish and the rudraksh bead. Here the colour is built up thread by thread. In Andhra Pradesh, they bunch some threads together and tie and dye and they also have total freedom of design.

3.1.5. Textile Mills in India:

In the beginning all the textile mills were under the private hands of the individual families and hence lacked professional approach in management. So they faced problems like non utilization of the manufacturing unit to its fullest capacity, less mechanization and less return on investment.

Textile mills in India are grouped into organized mills; de-centralized mills i.e. power looms, hand loom industries of Small Scale industries

and public sector undertakings. The following map (picture no.3.1) will show us the locations of major textile centers in India.

Picture No.3.1

Textile map of India



(Source taken from www.mapsofindia.com)

The production of cloth during the period 2000 – 2008, sector wise is given in table no.3.1.

Table no.3.1

Table of sector wise production of cloth

YEAR	(QUANTITY IN MILLION SQ. MTS)				
	MILL SECTOR	HANDLOOM SECTOR	POWERLOOM SECTOR	HOSIERY SECTOR	TOTAL
1999-00	1714	7353	23186	6373	38626
2000-01	1670	7472	24503	6688	40333
2001-02	1546	7585	25192	7068	41390
2002-03	1496	5989	26109	7868	41462
2003-04	1433	5581	28045	7874	42933
2004-05	1493	5705	28704	9089	44991
2005-06	1673	6108	30627	10418	48826
2006-07	1746	6535	32904	11504	52689
2007-08	1781	6947	34744	11804	55276
2008-09	1796	2667	33648	12077	50188

(Source taken from office of textile commissioner, Mumbai,
for the period 1999 - 2009)

3.2 Structure of Ministry of Textiles in India:

The Indian constitution came into force in 1950. According to the constitution there are two main houses, i.e. the Lok Sabha and the Rajya Sabha. Under the Government of India various departments are

working. Ministry of textiles is one of the departments of govt. of India. The Ministry of Textiles is responsible for policy formulation, planning, development, export promotion and trade regulation in respect of the textile sector. This included all natural and manmade cellulosic fibers that go into the making of textiles, clothing and handicrafts.

3.2.1 General Policy, Organizational set up and Functional areas of Ministry of Textiles in India:

3.2.1.1. General Policy of Ministry of Textiles in India:

*Following is the general policy of the Ministry of Textiles (Vastra Mantralaya):

1. Production, distribution (for domestic consumption and exports) research and development of all textiles including cotton, woolens, jute, silk, man-made, produced on handlooms and power looms, readymade garments and industries related to the production of cotton, woolen, jute, silk and cellulosic fibers but excluding non-cellulosic synthetic fibers (nylon, polyester, acrylic, etc.).
2. Cotton, including ginning and pressing thereof, domestic supply, inputs and price stabilization operations.
3. Sericulture.

* Ref. – Website of Textile Ministry of India

4. Development and extension of export promotion in relation to textiles, woolens, power looms, handlooms, readymade garments, silk and cellulosic fibers, jute and jute products and handicrafts.
5. Jute and jute products.
6. Handicrafts.

3.2.1.2. Organizational Set up of Ministry of Textiles in India:

*The developmental activities of the Ministry are oriented towards making adequate quantities of raw material available to all sectors of the textile industry and boost the production of fabrics at reasonable prices from the organized and decentralized sectors of the industry. Towards this objective, the Ministry lays down guidelines for a planned and harmonious growth of various sectors of the industry. Special emphasis is given to the development of handlooms in view of its large employment potential. The Ministry monitors the techno-economic status of the industry and provides the requisite policy framework for modernization and rehabilitation.

The Ministry coordinates the activities of Textiles Research Associations and lends financial support to them for undertaking research and development.

* Ref. – Website of Textile Ministry of India

The Ministry of Textiles is headed by a Secretary who is assisted in the discharge of his duties by 4 Joint Secretaries, Economic Advisor and Development Commissioners for Handlooms and Handicrafts, Textile Commissioner and Jute Commissioner.

3.2.1.3. Functional Areas of Ministry of Textiles in India:

The principal functional areas of the Ministry cover the following:

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

3.2.2. National Textile Policy:

Indian Textile Industry plays a vital role in Indian economy. For the proper functioning and operation of industry it is very essential to have some policies and regulation in place. In India, the Ministry of Textile is

responsible for the formulation of policy, planning, execution, development, export promotion and regulation of the Textile Industry and related sectors. There are several other bodies and organizations which help to formulate and execute these policies. All policies should be implemented for the greater development of the whole industry so that it can help to strengthen the economy.

Policies Related To Textile Industry:-

- ▶ Trade Policies
- ▶ Non-Trade Policies
- ▶ Investment & Foreign Direct Investment (FDI) Policies
- ▶ National Textiles Policy 2000

There are no restrictions regarding location for establishing manufacturing units. All producers of Clothing and Accessories are exempt from obtaining Industrial License to manufacture. The de-licensed undertakings, however, are required to file an Industrial Entrepreneur Memoranda (IEM) in Part 'A' with the Secretariat of Industrial Assistance (SIA), and obtain an acknowledgement. No further approval is required. After commencement of commercial production, Part B of the IEM has to be filled in. Certain items of clothing are reserved for small-scale industries.

For the growth and development of Indian Textile Industry and to make it more vibrant, Govt. of India passed National Textile Policy in 2000.

The objectives of the policy are:

- ♦ To produce and provide good quality cloth in affordable price to fulfill different needs of customers.
- ♦ To increase the share of India in Global Textile Market.
- ♦ To increase the contribution for employment and economic growth of country.
- ♦ Facilitate the Textile Industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing.
- ♦ Liberalization of controls and regulations for the market development of different textile Segments and to make them stronger to perform in competitive environment.
- ♦ Encourage Foreign Direct Investment and Research & Development to improve the manufacturing capabilities and infrastructure under the environmental standards.
- ♦ Facilitating financial support and arrangement to sector.

The highlights of the policy are:

- ♦ Achieving the target of Textile and Apparel Exports from US \$ 11 billion to US \$50 billion by 2010. The share of garments is targeted US \$ 25 billion.

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- ♦ Increasing contribution of private sector through set up environment-friendly and technologically advance textile units and complexes.
 - ♦ To De-reserve the Garment Industry from Small Scale Industry.
 - ♦ To improve the availability, productivity and quality of Raw Materials.
 - ♦ Improvement in quality of fiber/Yarn and its availability.
 - ♦ To increase the Cotton productivity by at east 50 % and quality to match the international standard by implementing Technology Mission on Cotton.
 - ♦ To make Silk and Sericulture sector strong. Government is aimed to improve Research & Development, Productivity of non-mulberry varieties of silk.
 - ♦ Encourage Private Sector to increase productivity, and to market the Wool products. Establishing Pre-Loom & Post-Loom facility.
 - ♦ Developing high yielding seeds, to make farmers more technological efficient, creating potential market link, and diversified jute products are main concern for Jute Sector.
 - ♦ Modernization and liberalization of Spinning Sector.
 - ♦ Technological Up-gradation, Strategic Alliance with international textile majors, Improved Quality, and Productive HR environment are the concern for Organized Mill Industry

- ♦ For Power loom Sector steps such as, Technological Up-gradation, Increased Productivity and Modernization of the sector are going to be implemented.
- ♦ To Increase Productivity, Enhanced Marketing and Distribution, Technological Up gradation and increased Research Development in Handloom Sector.
- ♦ To Improve Export, Promotion, Technological Support, Infrastructure, Marketing & Distribution and Research & Development for the growth of Handicraft Sector.
- ♦ To increase Exports to 50 billion US \$ by 2010, Increase Foreign Direct Investment, and to Increase Infrastructure Support to export oriented areas.

3.2.3. Boards, Bodies and Offices under the Textile Ministry in India:

To control the all over functions of textile and clothing, textile ministry has set up different boards for smooth and easy implementation of schemes. Following are the five main parts of textile industry.

1. Man-made Fiber and Filament Yarn Industry
2. Jute Industry
3. Wool and Woolen Industry
4. Sericulture Industry
5. Cotton Textile Industry

The following are the boards which work towards the enhancement of the textile industry in India.

- Central Silk Board.
- Central Wool Development Board.
- Cotton Advisory Board.
- All India Handloom Board.
- All India Handicrafts Board.
- All India Power loom Board.
- Jute Advisory Board.

Under the ministry of textiles various advisory, statutory and autonomous bodies are in working which are given below:

- Jute manufactures Development Council, Kolkata.
- Central Silk Board, Bangalore.
- National Institute of Fashion Technology, New Delhi.
- National Centre for Jute Diversification, Kolkata.
- Indian Institute of Carpet Technology, Bhadohi.
- National Centre for Design and Product Development, Delhi.
- Metal Handicrafts Service Centre, Moradabad.
- Indian Institute of Handloom Technology, Guwahati, Jodhpur Salem and Varanasi.
- Textiles Committee, Mumbai.

There are several organizations and associations which are working for the smooth running of commerce of textile in India. They look after the welfare of the people involved in the production and delivery of the textile products.

The Advisory Bodies of the textile ministry are:

- ◆ All India Handlooms Board
- ◆ All India Handicrafts Board
- ◆ All India Power looms Board
- ◆ Advisory Committee under Handlooms Reservation of Articles for Production
- ◆ Co-ordination Council of Textiles Research Association
- ◆ Cotton Advisory Board
- ◆ Jute Advisory Board
- ◆ Development Council for Textiles Industry

The Autonomous Bodies of the textile ministry are:

- Central Wool Development Board, Jodhpur
- National Institute of Fashion Technology, New Delhi
- National Centre for Jute Diversification.

The following are the offices working under the textile ministry of India:

- ◆ Office of the Development Commissioner (Handlooms), New Delhi.

- ♦ Office of the Development Commissioner (Handicrafts), New Delhi.
- ♦ Office of the Jute Commissioner, Kolkata.
- ♦ Office of the Commissioner of Payments, New Delhi.
- ♦ Commissioner of Payments (Jute), Kolkata.
- ♦ Office of the Textile Commissioner, Mumbai.

3.2.4. Research Associations and Councils working for Textile Sector in India:

The advisory and development council under the textile sector are:

- ✦ Central Advisory Council for Textile Industry.
- ✦ Jute Manufactures Development Council, Kolkata.
- ✦ Development Council for Textile Industry.
- ✦ Standing Council on Modernisation of Textile Industry.
- ✦ Coordination Council on Textiles Research Associations.

The councils working for the development of the textile sector are:

- ▶ Handloom Export Promotion Council, Chennai.
- ▶ The Indian Silk Export Promotion Council, Mumbai.
- ▶ Export Promotion Council for Handicrafts, New Delhi.
- ▶ Power loom Development and Export Promotion Council, Mumbai.
- ▶ The Cotton Textile Export Promotion Council, Mumbai.
- ▶ Carpet Export Promotion Council, New Delhi.

- ▶ The Synthetic and Rayon Textiles Export Promotion Council, Mumbai.
- ▶ Wool and Woolen Export Promotion Council, New Delhi.
- ▶ Apparel Export Promotion Council, Mumbai.

There are various research associations formed to support a textile industry. The textile research associations working under the textile sector are:

- Indian Jute Industries Research Association, Kolkata.
- Ahmedabad Textile Industries Research Association, Ahmedabad.
- Bombay Textile Research Association, Mumbai.
- Man-made Textile Research Association, Surat. (MANTRA)
- South India Textile Research Association, Coimbatore.
- Northern India Textile Research Association, Ghaziabad.
- The Synthetic and Art Silk Mills Research Association, Mumbai. (SASMIRA)
- Wool Research Association, Mumbai.
- The Association of Corporation and Apex Societies of Handlooms, New Delhi.

SASMIRA and MANTRA are two Research Associations working mainly for the decentralized sector of the Textile Industry. These associations have been undertaking various research projects for the benefits of the decentralized sector. SASMIRA has been designated as a Nodal Agency

for Technical Textiles. The centre is being set up in alliance with Man-Made Textiles Research Association (MANTRA), Surat, Navsari Agriculture University (NAU), Navsari as associate partners and Department of Textile Technology, Indian Institute of Technology (IIT), Delhi as knowledge partner.

To compete in the international market the committees under the textile sector are:

- International Cotton Advisory Committee.
- International Institute of Cotton.
- Asia-Pacific Textiles and Clothing Industry Forum.
- International Jute Study Group.

3.2.5. Public Sector Undertakings of Textile Ministry:

The public sector undertakings of the textile ministry are as follows:

- ✦ National Handloom Development Corporation, Lucknow.
- ✦ Jute Corporation of India Limited, Kolkata.
- ✦ National Jute Manufacturers Corporation, Kolkata and its subsidiaries.
- ✦ National Textile Corporation Limited and its Subsidiaries.
- ✦ Cotton Corporation of India Limited, Mumbai.
- ✦ Handicrafts and Handlooms Export Corporation, New Delhi.
- ✦ Central Cottage Industries Corporation, New Delhi.
- ✦ British India Corporation Limited, Kanpur, and its subsidiaries.

3.2.6. Acts applicable to Textile Sector:

The acts applicable for the textile sector are given below:

- 📖 The Central Silk Board Act, 1948 (61 of 1948).
- 📖 The Textiles Committee Act, 1963 (41 of 1963).
- 📖 The Jute Manufactures Development Council Act, 1983 (27 of 1983).
- 📖 The Jute Manufactures Cess Act, 1983 (28 of 1983).
- 📖 The Handlooms (Reservation of Articles for Production) Act, 1985 (22 of 1985).
- 📖 The Jute Packaging Materials (Compulsory use in Packing Commodities) Act, 1987 (10 of 1987)

3.3. Analysis of Indian Textile Sector:

3.3.1. Performance of Textile Sector during the period 2000 – 2008:

Textile industries in India are divided into the following parts.

1. Organized textile mills (cotton and manmade fiber filament industry)
2. Power loom sector – decentralized sector
3. Handloom sector
4. Public sector undertakings
5. Woolen Textile Industry

6. Jute Textile Industry

7. Sericulture and Silk Textile Industry

3.3.1.1. Organized Textile Mills

The cotton and man made fiber textiles mill industry is the largest organized industry in the country in terms of employment and number of units. There are many subsidiary industries dependent on this sector. The incidence of sickness and closure in the organized textile industry is a matter of concern. The textile being the oldest and the largest industry of the country, it is but natural that at any given point of time some textile units could be lying sick and closed.

One main reason for sickness is the structural transformation resulting in the composite units in the organized sector losing ground to power looms in the decentralized sector on the account of power looms' greater cost effectiveness. Other reasons are low productivity due to lack of modernization, stagnation in demand and inability of some units to expand in the export market.

The details regarding closure of cotton and manmade fiber textile mills is given in table no.3.2

Table no. 3.2
Table of closure of textile mills

CLOSURE OF COTTON/MAN-MADE FIBRE TEXTILE MILLS				
YEAR	NO. OF MILLS			EMPLOYEES ON ROLL (in '000)
	SPG.	COMP.	TOTAL	
1999-00	240	109	349	334
2000-01	262	121	383	344
2001-02	295	126	421	362
2002-03	349	134	483	390
2003-04	374	94	468	329
2004-05	376	99	475	335
2005-06	387	96	483	339
2006-07	380	87	467	320
2007-08	318	63	381	254
2008-09	339	64	403	254

**(Source taken from the office of the textile commissioner, Mumbai
for the period 1999 - 2009)**

Another important reason is difficulties in getting timely and adequate working capital and availability of power and labour. Over the years production of cloth in the mills sector has been declining. As far as Maharashtra is concerned about 32 textile mills are closed and around 33,279 workers are affected.

3.3.1.2. Power loom sector – decentralized sector

The Indian textile industry is both unique and complex. Its predominant presence in the Indian economy is manifested in terms of its significant contribution to the gross domestic product, employment generation and foreign exchange earnings.

The decentralized power loom sector plays a vital role in meeting the clothing needs of the country. The power loom industry produces a wide variety of cloth as well as processed. Production of cloth as well as generation of employment has been rapidly increasing in the power loom sector.

*Various Power loom Service Centers (PSC) are working under the office of the textile commissioner and various centers under research association as explained above. The government is trying to modernize the PSC through introduction of Textile Up-gradation Fund scheme. In order to boost the power loom section power loom package is given and group insurance scheme is introduced for power loom workers.

Table no.3.3 explains the increase in the number of power looms in India.

* Source – Annual reports of the textile ministry from 1999 - 2009

Table no. 3.3

Table of registration of power looms and employment

REGISTRATION OF POWER LOOMS AND EMPLOYMENT			
Year	No. of units	No of Power loom	No. of Workers
1999-2000	367131	1629853	4074633
2000-2001	373922	1661550	4153875
2001-2002	374703	1666033	4165083
2002-2003	380172	1692737	4231843
2003-2004	413043	1836856	4592140
2004-2005	425792	1902953	4757383
2005-2006	433613	1943892	4859730
2006-2007	440172	1990308	4975770
2007-2008	469563	2155000	5400000
2008-2009	494312	2205352	5513380

**(Source taken from power loom section of the textile ministry of India
for the period 1999 - 2009)**

Note: Power loom is estimated assuming that one power loom employs 2.5 workers.

The following table no.3.4 shares information regarding production of power loom sector.

Table no. 3.4
Table of production by power loom sector

YEAR	PRODUCTION IN MILLION SQ. MT.	% OF TOTAL PRODUCTION
1999 - 2000	23187	59.15
2000 - 2001	23803	59.13
2001 - 2002	25192	59.9
2002 - 2003	25954	62
2003 - 2004	26947	64
2004 - 2005	28325	62
2005 - 2006	30626	62
2006 - 2007	32879	62
2007 - 2008	34725	62
2008 - 2009	33648	61

**(Source taken from annual reports of textile ministry of India
for the period 1999 - 2009)**

3.3.1.3. Handloom sector

The hand loom textiles constitute a timeless facet of rich cultural heritage of India. The handloom sector plays a very important role in the country's economy. It is an industry which gives direct employment to the people of the country. As an economic activity the hand loom

sector occupies a place next to agriculture in providing livelihood to people.

For promotion of hand loom sector the government has introduced many schemes like National Centre for Textile Design. National and State level Handloom Organisation, Primary Weavers Society, Non Governmental Organisations, and Self Help Groups are eligible to get assistance under the above mentioned scheme. Health package scheme and Welfare package scheme for handloom weavers have been introduced.

Thrift fund scheme similar to Provident fund and group insurance scheme are also introduced by the ministry of textiles for the hand loom sector.

The following table no.3.5 will explain the production of handloom sector.

Table no. 3.5
Table of production by handloom sector

YEAR	PRODUCTION IN MILLION SQ. MT.	% OF TOTAL PRODUCTION (excluding cloth made from wool, spun and silk)
1999 - 2000	7352	19
2000 - 2001	7506	19
2001 - 2002	7585	18.4
2002 - 2003	5536	14.22
2003 - 2004	4238	13.12
2004 - 2005	5722	13
2005 - 2006	6108	13
2006 - 2007	6536	13
2007 - 2008	6943	16
2008 - 2009	6677	15.9

**(Source taken from annual reports of textile ministry of India
for the period 1999 - 2009)**

3.3.1.4. National Textile Corporation

*National Textile Corporation is one of the many public sector undertakings working for the rehabilitation of sick units in India. Due to non utilization of full capacity of manufacturing, less mechanization and

* Ref. – Annual reports of Textile Ministry of India

low level of Return on Investment (ROI) many industries under private management were shut down. In 1968, the National Textile Corporation (NTC) was established for rehabilitation and modernization of the sick industries or mills to make them economically viable. *Initially 16 mills were taken over by the management of the NTC. In 1972-73 the number was 103 mills. All these units were nationalized by an act of parliament in 1974. After this 9 other mills were brought under the control of NTC and the total went up to 112 mills.

In 1985 the importance of the textile sector was realized by the government of India and so as per the policy in 1985 NTC (National Textile Corporation) took over the sick mills. The ultimate and grand objective of this new textile policy is to increase the production of quality cloth to cope up with the requirement of huge population. The objectives of NTC are given below:

- ♦ Looking into the needs of middle and lower level income group, the product mix of NTC mills, is designed to meet these requirements, which are used by weaker sections of the society.
- ♦ To bring controlled cloth system.
- ♦ NTC should produce 50% of the total controlled cloth with low price for the benefit of the weaker sections of the society.
- ♦ Employment to workers.

* Source taken from annual reports of the textile ministry of India

Eight out of nine Subsidiaries of NTC were referred to BIFR under the provisions of the Sick Industrial Companies Act (Special Provisions) during 1992-94 on account of continuous loss. The Board for Industrial and Financial Reconstruction (BIFR) approved the Rehabilitation Scheme for these Subsidiaries in February/July 2002 and the 9th Subsidiary was also referred to BIFR in October, 2002. The BIFR sanctioned Revival Scheme for all the 9 Subsidiaries allowed the Company to close down all unviable mills and to revive the viable units.

The Company has so far closed 76 unviable mills and is in the process of reviving 24 mills directly by NTC and 19 mills through joint venture route with strategic partners. The original Rehabilitation Scheme approved by BIFR and modified in September 2006 was revised in 2008 on the basis of the developments that had taken place in the textile sector. All the 9 Subsidiaries were merged with the Holding Company and NTC is today a single Company as against 10 companies in the past.

NTC has diversified into production and sale of readymade garments by using NTC produced cloth. These include shirts, trousers, Bermuda, Shorts, Handkerchiefs, Kurta Pyjamas, Woolen Coats & Jackets, Inner garments etc. This has resulted in boosting up of retail sale. The products have been widely accepted in the market. NTC also markets readymade items (wide variety) under the Brand name FINLAY in Mumbai & ENTYCE all over India.

3.3.1.5. Woolen Textile Industry

The wool and woolen textile industry in the country, is rural based and export oriented industry and is small in size and widely scattered all over India. It is basically located in Punjab, Haryana, Rajasthan, Uttar Pradesh, Maharashtra and Gujarat. The woolen industry is broadly divided into three parts as organized, decentralized and rural sector. India is the seventh largest producer of wool in the world. Various schemes are implemented by the textile ministry through the central wool development board, integrated wool improvement and development programme, sheep and wool improvement scheme, angora wool development scheme and pashmina wool development scheme. Social security programmes for sheep breeders are introduced. Shepherds insurance scheme, sheep insurance scheme are also introduced.

3.3.1.6. Jute Textile Industry

The jute textile industry occupies an important space in the national economy. It is one of the major industries in the eastern region, particularly in the west Bengal. Various schemes are introduced like Technology Up gradation Fund Scheme and Jute Technology Missions. The government announced a comprehensive national jute policy in April 2005 to develop a strong and vibrant sector. The policy aims to revive the jute economy through supportive measures covering research and

development, technology up-gradation, creation of infrastructure for storage, marketing of raw jute product and market developmental activities for jute products.

3.3.1.7. Sericulture and Silk Textile Industry

Sericulture is an important labour intensive and agro based cottage industry. India constitutes to be the second largest producer of silk in the world. The substantial involvement of women can be found in this industry. The following table no.3.6 shows the production of raw silk.

Table No.3.6

Table of production of raw silk

YEAR	PRODUCTION IN METRIC TON
1999 - 2000	15214
2000 - 2001	15857
2001 - 2002	17347
2002 - 2003	15700
2003 - 2004	15742
2004 - 2005	16500
2005 - 2006	17305
2006 - 2007	18475
2007 - 2008	18360
2008 - 2009	18370

(Source taken from the annual reports of the textile ministry of India for the period 1999 - 2009)

Central silk board was set up in the year 1949 for the development of the Silk industry. There are different types of silk produced in India like mulberry, non mulberry, tasser, muga and eri.

Various developed schemes and programmes have been introduced by the textile ministry like catalytic development scheme, United Nations development programme, SERI 2000, chatisgarh sericulture project, Manipur sericulture project etc.

3.3.2. Challenges faced by the Indian Textile Industry:

The Indian textile industry is one of the largest and most important sectors in the economy in terms of output, foreign exchange earnings and employment in India. The industry has several vast sectors within it, that is, the mill sector, the clothing or garment sector, the handloom sector and the power loom sector. Each of these sectors employs lakhs of workers and also contributes significantly to the national economy.

India has a natural competitive advantage in terms of a strong and large multi-fiber base, abundant cheap skilled labour and presence across the entire value chain of the industry ranging from spinning, weaving, and made-ups to manufacturers of garments. India's textile industry comprises mostly small-scale, non-integrated spinning, weaving, and finishing and apparel-making enterprises.

Natural fiber such as cotton, jute and silk, synthetic raw material products such as polyester staple fiber, polyester filament yarn, acrylic fiber and viscose fiber are produced in India.

The importance of the finishing sector arises from the fact that it contributes substantially to value-addition. The textile processing sector is classified into three major categories viz. composite, semi-composite and independent process houses. They are further bifurcated into small scale sector and non-small scale industries.

For the past few years the sickness and consequent closure of textile mills (as explained in 3.3.1.1.) has been a matter of great concern in our country. The primary reasons behind this are:

- The primary reason behind the sickness is structural transformation leading to composite units in organized loosing ground to power looms in decentralized sector due to greater cost effectiveness.
- Low productivity due to lack of adequate modernization
- Stagnation in demand
- Inability of certain units to expand in national and international market
- Increase in cost of input
- Inadequate working capital

The power loom sector occupies a key position in the Indian textile industry (as explained in 3.3.1.2.). Though current growth of this sector has been restricted by technological obsolescence, fragmented structure, low productivity and low-end quality products, in future Technology would play a lead role in this sector and will improve quality and productivity levels.

To reap benefits of these developments Indian power loom industry has to prepare itself for drastic technological changes and will have to focus on area such as

- ✓ Technology up gradation,
- ✓ Modernization of Power loom Service Centers and testing facilities;
- ✓ Clustering of facilities to achieve optimum levels of production;
- ✓ Welfare schemes for ensuring a healthy and safe working environment for the workers in future.

Higher power tariff is also one of the biggest challenges this industry is facing. Unlike spinning industry weaving loom sector is mostly concentrated in small areas of nations, where power fluctuation is a matter of routine. Productivity also gets affected time to time by fluctuation in power in such areas.

Government of India took initiative to take adequate measures to tackle this problem. Board for industrial and Financial Reconstruction (BIFR) was set up to detect sickness and the sick companies. Textile Workers' Rehabilitation Fund Scheme (TWRFS) was set up to tackle the problems.

The high cost of capital was identified as one of the basic factors that stymied investment in technology up-gradation in the textile industry. The absence of internationally comparable capital costs, modernization and restructuring of the textile sector had suffered. In order to improve competitiveness and long term viability and at the same time tackle the huge backlog of technology up-gradation, a focused and time bound Technology Up-gradation Fund Scheme (TUFS) was launched by the government of India in April 1999. The main feature of the scheme was a five per cent reimbursement on the interest actually charged by the financial institutions and banks on the sanctioned projects.

The TUFS was expected to provide a shot in the arm to the indigenous textile engineering industry. However, the scheme has not caught up the anticipated momentum due to a variety of factors. It is suggested that a quick review of the scheme be undertaken to set right the deficiencies and the scheme be made more attractive and friendly, especially to the de-centralized sector.

Through Technology Up-gradation Scheme (TUFS) Government is trying to modernize these sector and make import of latest technology looms easier and affordable. Still India lags behind in productivity due to outdated technology. Advance technology installation demand skilled labour to understand and install such facilities, shortage of skill labour is also a challenge in weaving loom industry.

Up-gradation of technology and modernization of a large segment of the processing sector is urgently called for. The productive base and value-addition can be strengthened only if modern equipments are added to the finishing sector.

Several steps have already been taken to improve India's textile industry. Apart from the setting up of the technology Up-gradation Fund Scheme (TUFS), these include:

- ◆ New schemes of Apparel Parks for Exports, and Textile Centers Infrastructure Development Scheme, de- reservation of the garments sector, Increase in investment ceilings,
- ◆ Introduction of a Technology Mission on Cotton to improve the productivity and quality of cotton,
- ◆ FDI is freely allowed in the sector, Basic customs duty on designated textile machinery and spare parts have been reduced,
- ◆ Additional Excise Duty on Textiles & Textile Articles (AT&T) and Additional Excise Duty (Goods of Special Importance) Act have

been abolished, Excise duty on polyester filament yarn has been reduced.

*In a nutshell, the processing and finishing textile sector is facing the problems of low technology, poor financial health, non-availability of credit to run day-to-day business and creation of fixed capital for modernization, labour issues, non-availability of quality raw materials, inadequate job, poor power supply, shortage of water supply, etc.

The Strengths of the Indian Textile Industry can be summarized as follows:

- ☞ India enjoys benefit of having plentiful resources of raw materials. It is one of the largest producers of cotton yarn around the globe, and also there are good resources of fiber like polyester, silk, viscose etc.
- ☞ There is wide range of cotton fiber available, and has a rapidly developing synthetic fiber industry.
- ☞ India has great competitiveness in spinning sector and has presence in almost all processes of the value chain.
- ☞ Availability of highly trained manpower in both, management and technical. The country has a huge advantage due to lower wage rates. Because of low labour rates the manufacturing cost in textile automatically comes down to very reasonable rates. There

* Ref. – Hindu journal published by The Hindu news paper – Chennai

is an immense scope for textiles industry in India as it is the second largest employment generator after agriculture.

- The apparel industry is largest foreign exchange earning sector. India is one of the largest exporters of Yarn in international market.
- The garment industry is very diverse in size, manufacturing facility, type of apparel produced, quantity and quality of output, cost, requirement for fabric etc. It comprises suppliers of ready-made garments for both, domestic or exports markets.
- Indian Textile Industry is an Independent & Self-Reliant industry.
- Abundant Raw Material availability that helps industry to control costs and reduces the lead-time across the operation.
- Availability of Low Cost and Skilled Manpower provides competitive advantage to industry.
- Availability of large varieties of cotton fiber and has a fast growing synthetic fiber industry.
- India has great advantage in Spinning Sector and has a presence in all process of operation and value chain.
- Industry has large and diversified segments that provide wide variety of products.
- Growing Economy and Potential Domestic and International Market.
- Industry has Manufacturing Flexibility that helps to increase the productivity.

Weaknesses:-

- ❖ Indian Textile Industry is highly Fragmented Industry.
- ❖ Industry is highly dependent on Cotton.
- ❖ Lower Productivity in various segments.
- ❖ There is Declining in Mill Segment.
- ❖ Lack of Technological Development that affect the productivity and other activities in whole value chain.
- ❖ Infrastructural Bottlenecks and Efficiency such as, Transaction Time at Ports and transportation Time.
- ❖ Unfavourable labour Laws.
- ❖ Lack of Trade Membership, which restrict to tap other potential market.
- ❖ Higher Indirect Taxes, Power and Interest Rates.

Opportunities:-

- ▶ The industry has the potential of doubling the export earnings. The regulatory polices is helping out to enhance infrastructures of apparel parks, Specialized textile parks, Economic Processing Zones and Export Oriented Units.
- ▶ The Indian manufacturers and suppliers are improving design skills, which include different fabrics according to different markets. Indian fashion industry and fashion designers are marking their name at international platform.

- ▶ The industry is anticipated to generate new jobs in various sectors with the doubling of Gross Domestic Product (GDP) & increase in exports.
- ▶ Large, Potential Domestic and International Market.
- ▶ Product development and Diversification to cater global needs.
- ▶ Elimination of Quota Restriction leads to greater Market Development.
- ▶ Market is gradually shifting towards Branded Readymade Garment.
- ▶ Increased Disposable Income and Purchasing Power of Indian Customer open New Market Development.
- ▶ Emerging Retail Industry and Malls provide huge opportunities for the Apparel, Handicraft and other segments of the industry.
- ▶ Greater Investment and FDI opportunities are available.

Threats:-

- Competition from other developing countries, especially China.
- Continuous Quality Improvement is need of the hour as there are different demand patterns all over the world.
- Elimination of Quota system will lead to fluctuations in Export Demand.
- Threat for Traditional Market for Power loom and Handloom Products and forcing them for product diversification.
- Geographical Disadvantages.

- International labour and Environmental Laws.
- To balance the demand and supply and to make balance between price and quality.

3.4. Conclusion

Indian Textile Industry is one of the oldest industries in India. There are different styles and traditions using which different textile products are manufactured in India. The Textile Industry of India is facing various problems and challenges like low technology, poor financial health, day to day problem of capital, problem of skilled labour, poor power supply, shortage of water supply, less modernization etc. In spite of these problems the Textile Industries has its own strengths which keep it working. During the period 2000 – 2008 textile industry went through a rough phase, but managed to survive and recover. The Textile Ministry of India plans and implements several developmental schemes, in order to attract more investment in the Textile Sector and also to support the existing problem oriented and sick mills.