

Sectoral

Textiles and Garments

1. What are the ATUFS benchmarked machineries?

TUFS benefit is available for TUFS benchmarked machinery covering the following activities:- a) Cotton ginning and pressing. b) Silk reeling and twisting. c) Wool scouring, combing and carpet industry. d) Synthetic filament yarn texturing, crimping and twisting. e) Spinning. f) Viscose Staple Fibre (VSF) and Viscose Filament Yarn (VFY). g) Weaving, knitting and fabric embroidery. h) Technical textiles including non-wovens. i) Garment/design studio/made-up manufacturing. j) Processing of fibres, yarns, fabrics, garments and made-ups. k) Production activities of Jute Industry.

2. What are the subsidies under ATUFS?

The subsidies are as follows: a) Stand alone spinning units – 2% Interest Reimbursement (IR) for new stand alone/replacement/modernization of spinning machinery. b) For units having spinning capacity with forward integration having matching capacity in weaving/ knitting/processing/garmenting – 5% IR. c) Weaving – i) 6% IR and 15% capital subsidy on brand new shuttleless looms or 30% Margin Money Subsidy (MMS) on brand new shuttleless looms for powerloom sector. ii) 2% IR or 8% MMS on second hand imported shuttleless looms with 10 years vintage and with a residual life of minimum 10 years. iii) For 30% MMS – capital ceiling caps of RS. 5 crore and subsidy cap of Rs. 1.5 crore would be adhered to for encouraging adequate investments by the MSME sector. d) Processing – 5% IR and 10% capital subsidy for specified processing machinery. CETP/ETP will not be considered for support under TUFS. e) Garmenting – 5% IR and 10% capital subsidy on specified machinery for garmenting units. f) Technical Textiles (including non-wovens) – 5% IR and 10% capital subsidy on specified machinery required in manufacture on technical textiles. g) Handloom and silk sector – 5% IR or 30% capital subsidy on benchmarked machinery. h) MSMEs including jute sector – 5% IR or 15% MMS– subsidy ceiling to be \$ 115,384. i) Other segments – i.e. cotton ginning and pressing, wool scouring, combing and carpet industry, synthetic filament yarn texturing, crimping and twisting, viscose staple fibre and viscose filament yarn, knitting and fabric embroidery, weaving preparatory machines, made-up manufacturing, CAD, CAM and design studio and jute industry – 5%IR j) Investments like factory buildings, pre-operative expenses and margin money for working capital are eligible for benefit of reimbursement Under the scheme only for apparel and handloom sector with 50% cap of total new eligible investment under RR-TUFS. Land is altogether excluded from eligible investments under

TUFS. This benefit, however, shall not be available for textile units under the Scheme for Integrated Textile Park (SITP).

3. What is certificate of exemption and endorsement of GSP in Export Promotion & Quality Assurance?

An exemption certificate is issued to enable quota/duty free entry of the eligible items of Handloom origin at the importing end. GSP certificates (Form A) is issued for the eligible items for the following tariff preference giving (donor) countries: Australia, Canada, Japan, New Zealand, Norway, Switzerland, Turkey, United States of America (USA), Republic of Belarus, Russian Federation, and European Union. The European Union includes 28 countries Viz. Austria, Belgium, Czech Republic, Croatia, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands (Holland), Republic of Bulgaria, Romania, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden and United Kingdom (UK). Note: 1) For Australia, the main requirement is exporter's declaration on the normal commercial invoice. Form A accompanied by the normal commercial invoice is an acceptable alternative, but official certification is not required. 2) In case of Canada and New Zealand, Official Certification is not required. 3) The United States does not require GSP Form A. A declaration setting forth all pertinent detailed information concerning the production or manufacture of the merchandise is considered sufficient only if requested by the district collector of the Customs.

4. What are the government sponsored schemes in textile industry?

The Ministry of Textile through the Textile committee provides information on the various schemes available for the textile sector. The schemes are aimed at providing wholistic benefits and growth opportunities to this sector. These schemes are: 1) Handloom mark. 2) Star rating of ginning and pressing factories. 3) Cluster development programme. 4) Integrated Skill Development Scheme.

5. What is Export Promotion & Quality Assurance under Ministry of Textile?

The Export Promotion & Quality Assurance Division carries out functions under various Sections of The Textiles Committee Act, 1963 as under: 1) Conducting technical studies in the textile industry. 2) Promotion of textile exports. 3) Establishing, adopting and recognizing standard specifications for textiles and packing materials. 4) Specifying the type of quality control or inspection needs to be applied to textiles. 5) Providing training on the techniques of quality control to be applied to textiles. 6) Providing for inspection and examination of textiles and packing materials used in the packing of

textiles. 7) Advising on the matters relating to development of textile industry and providing for such other matters. 8) Classification of textiles under Harmonized Commodity Description and Coding System (HS).

6. What is Amended Technology Upgradation Fund Scheme (ATUFS)?

ATUFS is set up to incentivise production and employment in the garmenting sector. Initially, TUFS was introduced in 1999 to catalyze investments in all the sub-sectors of textiles and jute industry by way of 5% interest reimbursement and presently applicable to the entire textile industry.

7. What is India Handloom Brand and how can one apply for it?

India Handloom Brand is an initiative of the Ministry of Textiles, Government of India, for branding of high quality handloom products. The India Handloom Brand would be an endorsement of the high quality of the handloom products to which it is applied in terms of raw materials, processing, embellishments, weaving design and other quality parameters besides social and environmental compliances in their production for earning the trust of the customers. One can apply for the registration by submitting the following documents: a) A duly filled application form in duplicate in the prescribed format. b) Applicable registration fees. c) Sample of your product(s) of 0.25 meter length in full width of the fabric. You can obtain the application form free of cost from the offices of the Textiles Committee and Weavers Service Centre or download it from here.

8. Is there a list of importers and exporters of technical textiles available?

There are 369 technical textiles importers and 680 technical textiles exporters in India as per the latest available figures. The list of exporters and importers along with contact details, export segment & product exported is available in the website link.

9. What is the MSS scheme?

In order to promote and Market Handicrafts financial assistance is provided to different eligible organizations to organize/participate in domestic and international Craft Exhibitions/seminars in metropolitan cities/state capitals/places of tourist or commercial interest/other places. This will provide direct marketing platform to the handicrafts artisans/SHGs from various parts of the country. Major components under this scheme are detailed below: 1) Gandhi Shilp Bazaar/Craft Bazars. 2) Exhibitions. 3) Hiring of built up space in events organized by other organizations. 4) National

Handicrafts Fair. 5) Craft Awareness Programme. 6) Participation in international fairs and exhibition abroad. 7) Folk Craft Festival of India/Stand Alone Shows/road shows. 8) Market studies abroad. 9) International craft exposure programme. 10) Cultural Exchange Programme. 11) Compliance, social and other welfare measures. 12) Buyer seller meet in India. 13) Buyers sellers meet abroad and reverse buyer seller meet in India. 14) Marketing workshops. 15) Workshops/seminars/symposiums/programmes organized abroad. 16) Rental for warehousing. 17) Publicity via print and electronic media. 18) Web Marketing.

10. What is the R&D Scheme introduced by the Government?

Research and Development scheme was introduced to conduct surveys and studies of important crafts and make in-depth analysis of specific aspects and problems of Handicrafts in order to generate useful inputs to aid policy Planning, fine tune the ongoing initiatives and to have independent evaluation of the schemes implemented by this office. Following activities will be under taken during the 12th Plan: i) Survey & Studies on different topics. ii) Financial assistance for preparation of legal, para legal, standards, audits and other documentation leading to labeling/certification. iii) Financial assistance to organizations for evolving, developing a mechanism for protecting crafts including languishing crafts, design, heritage, historical knowledge base, research and implementation of the same enabling the sector/segment to face challenges. iv) Conducting Census of Handicraft artisans of the country. v) Registration of Crafts under Geographical Indication Act & necessary follow up on implementation. vi) Assisting handicrafts exporters in adoption of global standards and for bar coding including handicrafts mark for generic products. vii) Financial assistance for taking up problems/issues relating to brand building and promotion of Indian handicrafts. viii) Conducting of Workshops/Seminars on issues of specific nature relating to handicrafts sector.

11. What is ISO 9000 and for whom it is applicable?

International Organization for Standardization evolved ISO 9000 series of standards in 1987. These are quality assurance system standards. First revision came in July 1994 and second revision on 15 December 2000. Henceforth, there will be only one standard i.e. ISO-9001:2000. These standards are customer oriented and focus on customer satisfaction by fulfilling the customers' requirements. These are applicable to any manufacturing or servicing organization. Hence, these are the product neutral standards. These can be adopted by any organization be it large, medium, small, limited company, private limited company, partnership firms and proprietorship firms.

12. What is Market Research Department in Textile Committee?

Market Research Department is one of the functional departments of the Textiles Committee dealing with the activities of Textile Economic Research. As mandated in the Textiles Committee Act, the Department is carrying out textile economic research.

13. What are the new activities initiated by the department?

Recently, the Market Research Department has initiated lot of activities to strengthen the exports of our country through Market Intelligence in Textiles (MIT). A comprehensive database on different segments of the textile industry will be carried out to provide handholding support to the exporting fraternity of the country as well as the policy makers. This Database will provide macro level information on all sectors of the T&C on Production, Domestic Demand, Export & Import, Price & its Mechanism, Competitiveness & Competitors, Cost benchmarking, Government Policy Mechanism, Tax Structure, RTAs/PTAs, Infrastructure and Other related issues to the industry stakeholders and policy makers. Besides this, the department is spearheading the facilitation of protection of traditional and unique textile products under GI Act.

14. What are the main objectives of the Market Intelligence in Textiles?

The main objectives of MIT are: 1) Provide Real-time Database for the Policy, Industry and Trade (Country level, product level). 2) Suggest remedial measures/ information on change in business environment in domestic segment. 3) Augmenting Market Information for export competitiveness and policy.

15. Is ISO 9000 standards mandatory to the industry?

No, however, in the coming days, non-existence of certified quality systems would probably be treated as a trade barrier not because of any Government regulations but through the customers, who are having the wide choice in selecting their suppliers for getting consistent quality. It also demonstrates the intent for continuous improvement in the overall business function.