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“The story of the Indian textiles industry is one where a whole generation’s well-being was compromised through misguided policy. In the misplaced bid to retain the small-scale character of traditional handlooms, Indian policymakers ruled out fast domestic industrial expansion—all garments, they mandated, must remain within the so-called small-scale sector.

So as the world, and especially India’s competitors such as China, Vietnam, and later on Bangladesh, built up massive capacities to meet global demand, India was stuck with debilitating rules and regulations. By 2005, when trade quotas were relaxed, India was in no shape to take advantage of freer trading norms. It is no surprise then that as against India’s share of 3.1 per cent in the global garment industry, China’s is around 35 per cent and even Bangladesh has 60 per cent more share than India.”

**Components of our Textile Industry:** The textile industry in India comprises three sectors —
- Powerlooms contribute 61.32 per cent
- Mills contribute 3.34 per cent
- Handlooms contribute 11.28 per cent

Exports: India’s overall textile exports during FY 2017-18 stood at US$ 39.2 billion in FY18 and is expected to increase to US$ 82.00 billion by 2021 from US$ 31.65 billion in FY19*.

**Market Size:** Currently estimated at around US$ 150 billion, is expected to reach US$ 250 billion by 2019. The sector contributed
- 7% of the industry output (in value terms) of India in 2017-18
- 2% to the GDP of India and employed more than 45 million people in 2017-18
- 15% to the export earnings of India in 2017-18

The production of raw cotton in India is estimated to have reached 36.1 million bales in FY19.

**Investment:** The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US$ 3.09 billion during April 2000 to December 2018.
Some of the major investments in the Indian textiles industry are as follows:

- In May 2018, textiles sector recorded investments worth Rs 27,000 crore (US$ 4.19 billion) since June 2017.
- The Government of India announced a Special Package to boost exports by US$ 31 billion, create one crore job opportunities and attract investments worth Rs 800.00 billion (US$ 11.93 billion) during 2018-2020. As of August 2018, it generated additional investments worth Rs 253.45 billion (US$ 3.78 billion) and exports worth Rs 57.28 billion (US$ 854.42 million).

ADVANTAGES OF A HEALTHY TEXTILE INDUSTRY TO INDIA:

The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries.

From a social transformation perspective, apparel generate large number of jobs for women, substantially more than in any other sector. In Bangladesh, female education, total fertility rates, and women’s labour force participation moved positively due to the expansion of the apparel sector. India’s low and declining female labour force participation could be similarly boosted by this initiative.

PROBLEMS WITH INDIAN TEXTILE INDUSTRY:

India’s competitors enjoy better market access by way of zero or lower tariffs to the two major importing markets, namely the US and Europe.

Logistics-
The costs and time involved in getting goods from factory to destination are greater than those for other countries.

Few large containers come to Indian ports to take cargo. So, all exports have to be transshipped through Colombo, which adds to travel costs and hence reduces the flexibility for manufacturers.

Way Forward:
All industrial policy aimed at promoting particular sectors are not without risks. But the externality-generating attributes — employment, exports, social transformation — of the apparel sector and India’s potential comparative advantage in it make the risk worth taking.

**GOVERNMENT SCHEMES AND INITIATIVES:**

The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route.

The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - Readymade garments and Made ups - from 2 per cent to 4 per cent.

As of August 2018, the Government of India has increased the basic custom duty to 20 per cent from 10 per cent on 501 textile products, to boost Make in India and indigenous production.

The Government of India announced a Special Package to boost exports by US$ 31 billion, create one crore job opportunity and attract investments worth Rs 80,000 crore (US$ 11.93 billion) during 2018-2020. As of August 2018, it generated additional investments worth Rs 25,345 crore (US$ 3.78 billion) and exports worth Rs 57.28 billion (US$ 854.42 million).
The Government of India has taken several measures including the Amended Technology Upgradation Fund Scheme (A-TUFS) scheme which is estimated to create employment for 35 lakh people and enable investments worth Rs 95,000 crore (US$ 14.17 billion) by 2022.

Integrated Wool Development Programme (IWDP) approved by Government of India to provide support to the wool sector starting from wool rearer to end consumer which aims to enhance the quality and increase the production during 2017-18 and 2019-20.

Various Schemes introduced

**Scheme for Capacity Building in Textile Sector (SCBTS)** with an outlay of Rs 1,300 crore (US$ 202.9 million) from 2017-18 to 2019-20

**PowerTex India Scheme**
Pradhan Mantri Credit Scheme for Powerloom Weavers

- Provides financial assistance to decentralized powerloom units/weavers under Pradhan Mantri Mudra Yojana (PMMY)

- Includes assistance for SC, ST & Women Entrepreneur of the decentralized powerloom units/weavers under Stand-up India.

Pradhan Mantri Mudra Yojana (PMMY)

- Margin Money Subsidy at 20% of project cost with a ceiling of Rs. 1 lakh

- Interest subvention at 6% per year on working capital and term loan upto Rs. 10 lakh for maximum period of 5 years

Stand-up India

- 25% Margin Money Subsidy up to a project cost of Rs. 1 crore with a ceiling of Rs. 25 lakh
Solar Energy Scheme

• Provides financial assistance/capital subsidy to small powerloom units for installation of On-Grid as well as Off-Grid Solar Photo Voltaic Plant

• A step towards attaining sustainable development goal of Government and to give thrust to renewable energy

Powerloom units up to 8 looms will get 50-90% subsidy for On-Grid/Off-Grid Power Plant
In-situ Upgradation Scheme for Plain Powerlooms

• Provides financial assistance to economically weaker powerloom unit owners for upgradation of plain looms

• Enables upgradation to semi-automatic or shuttleless looms by changing certain parts/attachments of the loom

• Provides 50-90% subsidy for upgrading plain loom to semi-automatic shuttle loom or shuttleless rapier loom

• Provides 50-90% subsidy for upgrading semi-automatic shuttle loom to shuttleless rapier loom
PowerTex India

**Grand-in-Aid and Modernisation & Upgradation of Powerloom Service Centres (PSC)**

- Provides financial assistance for upgrading PSC with facilities available in the cluster
- Upgradation would include improving testing facilities, installation of modern looms to create awareness

15 Powerloom Service Centres, 26 Textile Research Associations (TRAs) & 6 State Governments

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**PowerTex India**

**Yarn Bank Scheme**

- Provides interest free corpus fund to Special Purpose Vehicle or Consortium to purchase yarn at wholesale price
- **One of the biggest benefits of Yarn Bank Scheme** - will eliminate middle man/ local supplier’s brokerage charge on sales of yarn and benefit weavers

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- **SEBI GRADE A**
- **NABARD GRADE A**
- **UGC NET**

**ANUJ JINDAL**

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Scheme for Integrated Textile Parks: Launched in 2005 (approved in the 10th Five Year Plan) to encourage private investments and employment generation in textile sector by facilitating world class infrastructure for common facilities, such as roads, water supply treatment and distribution network, power generation and distribution network, effluent collection treatment and disposal system, design centre, warehouse, first aid centre, etc.

SAMARTH—scheme for capacity building in Textile Sector: The objectives of the scheme are to provide demand driven, placement oriented skilling programme to incentivize the efforts of the industry in creating jobs in the organized textile and related sectors; to promote skilling and skill up-gradation in the traditional sectors through respective Sectoral Divisions/organizations of Ministry of Textiles; and to provide livelihood to all sections of the society across the country.

Silk Samagra- integrated silk development scheme: The Scheme has four components –
- Research & Development (R&D), Training, Transfer of Technology and IT Initiatives
- Seed Organizations and farmers extension centres
- Coordination and Market Development for seed, yarn and silk products and
- Quality Certification System (QCS) by creating amongst others a chain of Silk Testing facilities, Farm based & post-cocoon Technology Up-gradation, and Export Brand Promotion.

North Eastern Region Textile Promotion Scheme (NERTPS): To develop handloom sector in NER by providing the required government support to achieve increase in employment and value of handloom products by means of improvement in design capability, diversification of product lines and value addition, cluster development and improvement in labour productivity through various interventions such as baseline survey, diagnostic study, formation of self-help groups (SHGs)/joint liability groups (JLGs), formation of consortium, awareness programmes, engagement of designer, computer aided textile design (CATD) etc.

National Handicraft Development Programme (NHDP): The NHDP has following components-
- Base Line Survey & Mobilization of Artisans under Ambedkar Hastshilp Vikas Yojana
- Design & Technology Upgradation
- Human Resource Development
- Direct Benefit to Artisans
- Infrastructure and Technology Support
Comprehensive Handicrafts Cluster Development Scheme (CHCDS): The CHCDS has following components –
- Mega Cluster
- Special projects under Integrated Development and Promotion of Handicraft

Scheme for promoting usage of geotechnical textiles in North East Region (NER): The scheme has the following basic objectives:
- To demonstrate use of geotechnical textiles as a modern cost-effective technology in the development of infrastructure in fragile geological conditions of NER;
- To improve the durability, function and life of infrastructure in NER, while bringing down the life cycle cost of the projects;
- In addition, the scheme intends to also develop a set of standards and specifications for the products as well as projects using these materials. The scheme will also develop literature/manuals for inspection and testing and other aspects of construction using these materials.
- The ultimate objective is to introduce modern cost-effective technology pertaining to the application and usage of geotechnical textiles in the development of infrastructure of NE Region, which is likely to boost the region’s economy.

KHADI AND HANDLOOM - OPPORTUNITIES & THREATS FOR INDIA:

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<tr>
<td>Expected sector CAGR (2016-2021)</td>
<td>Share in India’s GDP</td>
<td>Textile exports share in overall exports</td>
<td>Employment generated</td>
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In 2015, Prime Minister Narendra Modi recognised August 7 as National Handloom Day to celebrate the place of handloom weaving in Indian culture and economy.
The growth in power looms, now supplying more than 70% of Indian textiles, according to textile ministry statistics, came on the heels of a systematic destruction of the handloom industry. This included power loom users claiming the subsidies earmarked for handlooms in the early decades after independence, as years of field work has shown. Then there was the illegal encroachment of handloom markets through perfect imitations of handloom products.

Handloom cloth is the cloth woven by hand, or cloth woven on manually operated looms (as distinct from electricity operated looms or power-looms). Khadi is a type of cloth which is on the one hand, hand-woven (handloom) and in addition, the yarn for weaving this cloth is also obtained by hand-spinning (for example on charkha or manually operated spinning wheel).

The six biggest benefits of handlooms are:

Large premium design choices: Handloom enables more varieties of design to be spun out. This enables a consumer to literally own apparel that is unique in the world and made only for him or her.

High ROI: The return on investment (ROI) on handloom is handsome. The cost of material is usually 10-15 per cent; this gives a handsome ROI in only about two to three months. Very few asset investments give that kind of ROI.

Employment generator: In a country like India where young people are looking for employment with high income, the handloom sector provides a golden opportunity to earn handsomely. It can enable reverse migration possibilities, from urban to rural, and reduce stress on urban infrastructure. It employs 10 million artisans already and can employ more.
GreenTech: Handloom is well suited to rural India where there are power problems as it does not depend on electricity.

Ripe for tech disruption: There are multiple tech disruption possibilities here. Remember, we are looking at disaggregated supply (2.3 million handlooms scattered across India) and disaggregated demand (rural, urban and international) here. Handloom has the opportunity to create a cab aggregator type of business model which enables matching of this disaggregated demand and supply.

Women’s empowerment: This is an industry which employs 83 per cent women. There are not many industry or corporate or government institutions that have such an inclination towards employing women.
Major Types of Rural Tourism:

1. Agricultural Tourism
2. Cultural Tourism
3. Nature Tourism
4. Adventure Tourism
5. Food Routes - This tourism is all about food and knowing more about different staples of different places.
6. Community Eco-tourism – A responsible travel to natural areas that conserves the environment and improves the well-being of local people.
7. Ethno-Tourism - Expands the horizons to view different cultures - various ethnic and cultural lifestyles and beliefs.

Impact of Rural Tourism:

Positives

The impact on economy: One can directly buy the finished products by local tradesmen. Various companies under their CSR commitments could join hands with academia and local institutions to create awareness and market rural tourism in an effective manner. Most Indian villages have one or more traditional entities/crafts that make them unique. This can be leveraged effectively to attract the tourists. Further, rural artisans and their crafts need to be promoted through other innovative methods such as – Dilli Haat.

Influence mindset and change perspectives: Exchanging of ideas take place which has the potential to change their outlook towards education, preventive health care, modern gadgets, etc.

Better connectivity via railways and roads

Educate the urban travellers with the age-old traditions ways of preserving nature and peaceful existence of man and animal.

Negative Impacts
Unplanned and urgent development may lead to concretisation of rural area and may distort the natural beauty.

Shift in occupation: It may have an adverse effect on the traditional livelihood of people. The village people may shift from agriculture and other traditional livelihoods to lucrative livelihoods related to tourism.

Panchayats, NGOs and community organisations have an important role to play here by way of engaging both communities and tourists to promote responsible tourism. Therefore, the 4 A’s and the 7 sutras –

4 A’s
a) Accessibility  
b) Accommodation  
c) Attractions  
d) Amenities

7 S’s
(1) Swagat (Welcome)  
(2) Swachhta (Cleanliness)  
(3) Soochana (Information)  
(4) Suvidha (Comfort)  
(5) Surksha (Security)  
(6) Sahyog (Cooperation)  
(7) Samrachana (Infrastructure)

ACRONYM - CCCIISW
QUESTION:

- At present, what is India’s share in global textile industry?
  - 3%
  - 4%
  - 35%
  - 36%

Answer- 3%

QUESTION:

- At present, what is the contribution of textile industry to GDP of India?
  - 2%
  - 3%
  - 4%
  - 35%
  - 36%

Answer- 2%
QUESTION:

• What is the contribution of textile industry to export earnings of India in 2017-18?
  • 14%
  • 15%
  • 16%
  • 17%

Answer- 15%

QUESTION:

• Which of the following can NOT be an advantage of a healthy textile industry in India?
  • A healthy textile industry can create rural employment at a large scale
  • Stop the declining labour force participation rate, especially among women
  • Encourage and promote agriculture due to strong linkages between agriculture and textile industry
  • Reverse our reliance on urban clusters for employment generation
  • Compete China in low value but high volume hand made textiles.

Answer- Compete China in low value but high volume hand made textiles
QUESTION:

Which of the following statement is INCORRECT about FDI rules for textile industry in India?

- 100% FDI under automatic route is allowed in textile industry
- 100% FDI with 49% under automatic route and the remaining under approval route is allowed in textile industry
- 51% FDI under approval route is allowed in textile industry
- 49% FDI under automatic route is allowed in textile industry

Answer- 100% FDI under automatic route is allowed in textile industry

QUESTION:

National handloom day is observed every year on?

- 1st August
- 7th August
- 8th August
- 15th August
QUESTION:
Which of the following correctly explains "community tourism"?

- To view different cultures - various ethnic and cultural lifestyles and beliefs
- A responsible travel to natural areas that conserves the environment and improves the well-being of local people
- This tourism is all about foods of different communities and knowing more about different staples of different communities
- To view different employment styles based on community - explore AMUL like initiatives

Answer- A responsible travel to natural areas that conserves the environment and improves the well-being of local people

QUESTION:
Which of the following is not one of 4A's promoted for a more responsible and attractive tourism in India?

- Accessibility
- Accommodation
- Attractions
- Amenities
- Abundance
QUESTION:

- Which of the following is not one of 7 Sutras for tourism in India?
  - Swagat
  - Swachhta
  - Soochana
  - Suvidha
  - Sampradayikta

Answer- Sampradayikta