


(To be published in the Gazette of India, Part-I, Section 1)

Government of India
(Bharat Sarkar)
Department of Industrial Policy and Promotion
(Audyogik Neeti Aur Samvardhan Vibhag)
New Delhi, the 29th August, 2008

NOTIFICATION

No. 5/17/2007-Leather – The Central Government has approved a Scheme titled, Indian Leather Development Programme (ILDLP) with an outlay of Rs. 912.67 crores to be implemented during the 11th Plan period. The Scheme aims at augmenting raw material base, enhancing capacity, addressing environmental concerns, human resource development, attracting investment and global marketing of Indian Leather.

2. The details of the components under ILDP issued vide O.M. of even number dated 29th August, 2008 are annexed to the Notification.

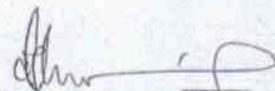

(R.K. Malik)
Director

The Manager,
Government of India Press
(Bharat Sarkar Press), FARIDABAD
No. 5/17/2007 New Delhi, the, 29th August, 2008

Copy for information to :-

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2. Members of Steering Committee
3. Secretary (Coordination), Cabinet Secretariat
4. Secretary, Department of Expenditure
5. Member Secretary, Planning Commission
6. Accountant General of all States/UTs
7. AS & FA, D/o IPP
8. Chief Controller of Accounts, D/o IPP
9. Director, Indian Institute of Technology, Kanpur
10. Executive Director, CLE, Chennai
11. Director, Central Leather Research Institute, Chennai

12. Managing Director, Footwear Design & Development Institute, NOIDA
13. President, Indian Footwear Components Manufacturers' Associations, NOIDA
14. Office of DC(SSI), M/o SSI & ARI
15. Budget & Accounts Section, D/o IPP
16. Internal Circulation as per standard list.



(Farida M. Naik)

Under Secretary to the Government of India

No. 5/17/07-Leather
Government of India
Ministry of Commerce and Industry
Department of Industrial Policy and Promotion
(Leather Section)

Udyog Bhawan, New Delhi
Dated the 29th August, 2008.

OFFICE MEMORANDUM

Subject: - Indian Leather Development Programme (ILDP) – implementation during 11th Five Year Plan (2007-12).

Leather Sector is the 10th largest manufacturing sector in India and it plays an important role in Indian economy in view of its substantial overall output, export earnings and employment potential. The Leather Sector employs 2.5 million people with majority from weaker sections of the society and about 30% women. The Sector is dominated by small and medium enterprises. In order to augment raw material base; enhance capacity; address environmental concerns; human resource development; attract investment and global marketing of Indian Leather, the Central Government has approved implementation of the Indian Leather Development Programme (ILDP) for the 11th Five Year Plan comprising of the following components: -

- i) **INTEGRATED DEVELOPMENT OF LEATHER SECTOR (IDLS) (Outlay Rs. 253.43 crores):** This is a 10th plan scheme and is being continued in the 11th plan. The scope of the scheme is enhanced to include new units. The scheme would provide assistance in the form of Investment grant @ 30% to SSI and 20% to Non-SSI upto grant of Rs. 50 lakh. Assistance will be provided @ 20% if the grant amount is above Rs. 50 lakh within the ceiling of Rs. 2 crores. The disbursement above Rs. 25 lakh would be made in four equal annual installments.
- ii). **LEATHER TANNING COMPLEX AT NELLORE (Outlay Rs. 29 crores):** This project was proposed to be implemented during the 10th Five Year Plan. However, the project could not take off for want of decision from the Government of Andhra Pradesh. This project aims to increase the capacity of the tanning sector. This project is proposed to be implemented during the 11th Plan. Government of Andhra Pradesh has transferred the required land to LIDCAP, an institution expected to implement the project. A provision of

Rs.29 crores is approved during 11th Plan as assistance to develop the infrastructure of the tanning park.

- iii) **ESTABLISHMENT OF BRANCH OF FDDI (NIFDT) AT FURSATGANJ (Outlay Rs. 7.17 crores):** The Institute would be a branch of the Footwear Design and Development Institute, Noida and would be equipped with facilities of latest technologies to provide training of international standards with latest technology. The assistance from this Department to the project is Rs. 13.53 crores out of which Rs. 6.36 crores has been released during the 10th Plan Period. The balance of Rs. 7.17 crores has also been released in December 2007 i.e., during the 11th Plan Period.
- iv) **FOOTWEAR COMPLEX (Outlay Rs. 3 crores):** This is an ongoing scheme of the 10th Plan and aims to build a Footwear Complex near Chennai in 153.65 acres and provide infrastructure facilities for housing large footwear manufacturing units. Infrastructure development towards design and testing centers, display centre, warehousing, common power plant etc. would be provided. State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT), a State Government undertaking is the implementing agency. The Central Government has released Rs. 11 crores during the 10th Plan and the balance of Rs. 3 crores would be released during the 11th Five Year Plan period.
- v) **SADDLERY DEVELOPMENT (Outlay Rs. 10 crores):** Harness and Saddlery comprise a wide range of products. The industry had identified upgradation and development of skilled manpower, standardization & development of components accessories and tools, development of low cost indigenous machinery, and improvement in production techniques and processes as major areas of concern. International Institute of Saddlery Technology and Export Management (Kanpur), a Special Purpose Vehicle constituted under the overall guidance and superintendence of IIT (Kanpur) would continue to provide skilled human resources to meet the need of the sector and function as an R & D base for the industry. In order to achieve the above stated objectives an allocation of Rs. 10 crores has been approved for the XI Plan period.
- vi) **SUPPORT TO ARTISAN (Outlay Rs. 40 crores):** There are various clusters in the India making traditional footwear and other leather goods. The aim of the component is to

promote the clusters at various forums as they are an integral part of rural Indian economy and have potential for generating local employment and export. The artisan clusters (both urban and rural) would be supported for enhancing their designs as per the changing trends and fashion, corpus of revolving funds for obtaining bulk raw material, grant based livelihood support, marketing support/linkages and also bank linkages. The broad objective of this component would be to ensure better and higher returns to the artisans.

vii). **HUMAN RESOURCE DEVELOPMENT (Outlay Rs. 60 crores):** HRD mission would target non-traditional potential work force in the rural areas. This project would train and prepare individuals in the rural areas to be fit to work in medium to large industrial units that are likely to be set up. Up gradation of skills of persons already employed in the sector besides training for trainers/supervisors would also be undertaken. The scheme would lay stress on skill development and technical development especially in cutting and stitching. The training proposed under the scheme would be output linked where atleast 75% of those trained would be placed in the industry.

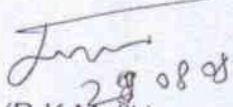
viii). **UP-GRADATION OF FACILITIES OF FDDI AND ESTABLISHMENT OF OTHER SUCH INSTITUTES AND CENTRES: (Outlay Rs. 300.07 crores):** As of now about 3,800 people are trained every year in leather and leather product sector ^{CLE 2008}. Against this supply, the demand of the industry is around 1,00,000 skilled persons every year for the next five years. In order to increase the uptake of the student in each category and to train them in the latest technology, up gradation of the facilities in the existing units has become absolutely essential.

Footwear Design and Development Institute (FDDI), Noida, is a premier Institute providing training, consultancy services in the footwear and leather industry. It is therefore proposed that at least three new FDDI campuses each at Tamil Nadu, West Bengal and Haryana. would be established at a cost of Rs. 96.69 crores each during the 11th Plan period to meet the growing demand of the leather Industry. Besides, Rs. 10 crores would be provided for up gradation of existing FDDI campus at Noida. Assistance would be in the form of one time grant for creation of capital assets and permanent infrastructure and no recurring cost would be provided.

ix). **UPGRADATION/INSTALLATION OF INFRASTRUCTURE FOR ENVIRONMENT PROTECTION IN LEATHER SECTOR (Outlay Rs. 200 crores):** Leather industry and tanning activity in particular, all over the World is linked to environmental concerns. In view of the fact that environmental issues are slowly gaining ground and measures would need to be put in place for industries to cope with the stringent norms, an allocation of Rs. 200 crores has been made in the 11th Five Year Plan to address these concerns. Projects for meeting environmental concerns would be funded with 50% grants from Central Government, with the remaining fund coming from State Government (15%) and from the Industry (35%). The entire Operation and Maintenance costs would be borne by the industry.

x). **MISSION MODE (Outlay Rs. 10 crores):** This programme envisages attracting investment in to the sector and includes provision for research, programme support, survey, and concurrent evaluation etc in the field of leather. Besides, provision has also been made for cost on account of advisory and consultancy services in respect of various projects under ILDP being implemented in the 11th Five Year Plan.

2. The guidelines on the above-mentioned components are available on the website of this Department (<http://dipp.nic.in>).


(R K Malik)
Director.

To

1. The Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
2. All Ministries/Departments of the Central Government.
3. Chief Secretaries of all States Governments/ UTs.
4. Principal Secretary, Department of Industries, all State Governments / UTs.
5. Commissioners / Directors of Industries, all State Governments / UTs.
6. Director, Central Leather Research Institute, Chennai.
7. Managing Director, Footwear Design & Development Institute, Noida.
8. Executive Director, Council for Leather Exports, Chennai.