

VI. Guidelines for Development of Design Studios in Footwear and Leather Sector sub-scheme of Indian Footwear and Leather Development Programme(IFLDP)

1. Background

India's footwear and leather sector is one of the major industrial sectors in India with immense potential for growth and employment generation. Leather and footwear industry is also a significant contributor to India's export. Indian producers are now major suppliers to global majors in footwear and leather goods in the luxury consumer goods market. As a result, there is a huge focus on quality and efficiency improvement. Lot of sales is now shifting to online channel in line with the e-commerce boom, which has also pushed this industry to become more flexible and agile. Indian firms need to respond quickly to the frequent changes in design of leather and footwear products. They also should be in a position to develop their own design as per global standards, which eventually help these companies to move up the value chain.

2. Objective

2.1 The proposed Design Studios should aim to play a pro-active role in the strategy to mesh markets with entrepreneurs and to catalyse the technological transformation of the leather and footwear sector. This will include facilitation centre and design-labs providing design services, pattern-making and prototype production facilities, serves as a resource centre for the latest information on fashion/market trends, colours and designs, facilitate in certification process to ensure quality products. The studios will promote marketing/export linkages, facilitates buyer- seller meets, display designs to international buyers and work as interface for the trade fairs. Design Studios will be kind of 'one-stop- shop' providing a wide range of services: design, technical support, quality control etc.

3. Development Linkage and Sustainability Issue

3.1 Design Studios will be powerful force for sustainable human resource development. This will be achieved by providing design support, technical assistance and information to artisans, micro enterprises and small and medium scale entrepreneurs, - thereby upgrading their knowledge base, helping them to build their capacity to create employment or earn livelihoods and consequently upgrade their economic status.

4. Expected Output

- i. Provide Design Support
- ii. Technical assistance and advancement
- iii. Provide opportunities for employment and business.

- iv. Dovetailing contemporary designs with artisans' skills.
- v. Provide incubation facilities to the budding entrepreneurs
- vi. Assisting in certification

5. Budget and Implementation Strategy

5.1 As some clusters are having existing infrastructure and/or functioning design studios, the assistance would be provided to upgrade the existing studios and set up new ones. Also focus should be varied based on regional focus on footwear or leather goods.

5.2 The beneficiaries of the scheme can be institutes of similar standing of Footwear Design and Development Institute (FDDI), Central Leather Research Institute (CLRI), National Institutes of Design (NID), National Institute of Fashion Technology (NIFT), India Brand Equity Foundation (IBEF), Indian Institute of Foreign Trade (IIFT) who would submit the Detailed Project Report (DPR) of the project along with detailed activities and financial implications through the Project Implementation Unit (PIU). The large units of the industry or group of industry can also be identified as beneficiary under the sub-scheme.

5.3 PIU shall be appointed for the sub-scheme with the approval of Empowered Committee. The PIU may be an institute like National Institutes of Design (NID), National Institute of Fashion Technology (NIFT), India Brand Equity Foundation (IBEF), Indian Institute of Foreign Trade (IIFT) or institutes of similar standing. The PIU will appraise the DPR submitted by the aspiring beneficiaries and recommend the eligible cases for consideration of the Steering Committee. PIU will periodically review and present before the Steering Committee the impact of the fund allotted to the beneficiary.

5.4 The PIU itself will not be considered eligible for applying as beneficiary under the sub-scheme.

5.5 Location of Project

One Design studio would be established or upgraded in one cluster within the premise or available space of beneficiary.

5.6 Government financial assistance for Project Cost

- i. The Government assistance under this sub-scheme of FLADP would be restricted to 50% of total project cost as per the approval of Steering Committee based on the total project cost of detailed project proposal submitted, subject to a limit of Rs

10 crores to each Design Studio. The share of the beneficiary would be balance 50% of the project cost. Assistance would be provided as a onetime grant in aid for setting up/upgradation of studios/labs. However, financial assistance would not be provided for construction of infrastructure or purchase of land. No recurring cost would be provided by the Department.

ii. An appropriate amount would be paid to the PIU for implementation and monitoring of the projects.

5.7 Disbursement :

Industry/Beneficiary shall maintain an exclusive project specific Trust and Retention Account (TRA) with any nationalized Bank, and the funds from the Government will be released into that account. After approval, the Government would release its share of assistance in 3 phases as per the following schedule:-

- i. **First installment:** 30% of the assistance, as advance, on final approval of the project on producing the statement of project specific TRA reflecting the proportionate contribution (i.e. 30% of the share of Industry/Beneficiary) deposited by Industry/Beneficiary in the TRA.
- ii. **Second Installment:** 40% of the assistance after the utilization of the previous installment as 2nd installment and on producing the statement of project specific TRA reflecting the proportionate contribution (i.e. 40% of the share of Industry/Beneficiary as 2nd installment) deposited by Industry/Beneficiary in the TRA.
- iii. **Third Installment:** 30% of the assistance after the utilization of the previous installment as 3rd installment and on producing the statement of project specific TRA reflecting the proportionate contribution deposited by Industry/Beneficiary in the TRA (i.e. 25% of the share of Industry/Beneficiary as 3rd installment) and after satisfactory progress of the project.

6. For the purpose of monitoring and verification of progress/proper utilisation of benefits, an appropriate system, including targets for physical verification by Group A/Class I officers will be set by the Empowered Committee.

7. Digital portal for beneficiaries in all sub-schemes enabling proper identification and monitoring of beneficiaries/benefits is being established.

8. Provision of these guidelines can be modified with the approval of Secretary, DPIIT.
