



**HANDLOOMS, HANDICRAFTS,  
TEXTILES AND KHADI DEPARTMENT**

**HANDLOOMS AND TEXTILES**

**POLICY NOTE  
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**S.GOKULA INDIRA  
MINISTER FOR HANDLOOMS AND TEXTILES**

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## **HANDLOOMS AND TEXTILES**

### **1. INTRODUCTION**

Textile sector is the second largest employment provider in the country, next to Agriculture. Apart from providing one of the basic necessities of life, the textile industry also plays a pivotal role in industrial output, employment generation and the export earnings of the country by contributing about 14% to the industrial production, 4% to the GDP and 11% to the country's export earnings. This sector also provides employment opportunity to 45 million people. Besides providing livelihood to the weavers and workers directly associated with this industry, the economy of major fibre crops viz., cotton, wool, silk and crafts which provides employment to millions of farmers and craft persons in rural and semi-urban areas also depends on the textile industry.

Tamilnadu holds the pioneer position in the Indian textile industry for years together by marking its overwhelming presence in all the sub sectors of the industry viz., spinning, handloom weaving, powerloom weaving, auto-loom weaving, processing, knitwear and apparel garmenting. Besides catering the domestic requirements, Tamilnadu acts as the hub of textile

exports from the country viz., Tiruppur for knitwear garment, Coimbatore for yarn, Karur for home textiles and Chennai for woven garment exports. Tamilnadu is the only State which has complete textile value chain accounting for almost 1/3<sup>rd</sup> of the textile industry size, 47% of the spinning capacity, 20% of the powerlooms capacity with employment opportunity for over 50 lakh people.

The Government of Tamilnadu is committed in developing a strong and vibrant industry which would contribute significantly to production, employment and economic growth of textile industry. In order to achieve the goal of making Tamilnadu **the Numero Uno State** in the country, the Department of Handloom and Textiles is implementing number of welfare schemes for the handloom and powerloom weavers and for the development of all the sub-sectors of the textile industry, viz., spinning, garment & hosiery and processing. The Government's endeavour is to provide right environment and required infrastructure facilities to all the sectors of the textile industry so as to promote their holistic growth.

## **2. VARIOUS SECTORS OF TEXTILE INDUSTRY**

### **2.1 Handloom Sector**

Tradition of Indian handlooms dates back to prehistoric ages. Its early origin and development through ages can be traced through various Hindu literary sources like Veda, Upanishad, Ramayana, Mahabharata and Kautilya's Arthashastra. In Brihatsamhita, Varahamihir who lived in AD 405 describes a wide variety of textiles that were in existence in those days.

On the basis of the archaeological evidence i.e. fragment of cotton cloth dyed with madder found in Mohenjodaro and Harappa (Indus Valley Civilisation), it is known that the art of hand spinning, handloom weaving and dyeing / printing of cotton with natural dyes were practised by our people and it formed an established industry in the country, about 4500 years ago. All testifies to a glorious tradition that has remained for about fifty centuries with changes and reshaping according to the creativity of the artisans and the demands of the monarchs as well as market. It also has a lot of influence from the invasions, trade and cultural contacts with various sections like Mughals, Portuguese,

Dutch and Britishers. Till the 18<sup>th</sup> Century, India was the largest exporter of textiles, obviously hand woven and hand processed with natural dyes, in the world. Beauty of Indian textiles, through the centuries, was expressed in various poetic forms by many poets.

Handloom, an important craft product comprises the largest cottage industry of the country. Millions of looms across the country are engaged in weaving cotton, silk and other natural fibers. There is hardly a village where weavers do not exist, each weaving out the traditional beauty of India's own previous heritage.

The handloom sector, being labour intensive, provides livelihood to 43 lakh weavers and ancillary workers in India. This sector has an advantage of being less capital intensive, minimal use of power, eco-friendly, flexibility of small production, openness to innovations and adaptability to market requirements. The handloom sector accounts for nearly 11% of fabric production in India and makes a significant contribution to export earnings.

The handloom sector in Tamilnadu is known for its tradition of excellent craftsmanship. These skills

are being passed on from generations to generations since ancient times as a rich heritage woven into fabric.



#### **Street Warping**

The handloom weaving is one of the largest economic activities in Tamilnadu, providing employment to 1.89 lakh weaver households and about 3.19 lakh weavers. Tamil Nadu has the pride for its unique handloom woven products like silk sarees, cotton sarees, furnishing materials, dhothies, lungies and towels. Towards development of new designs in the handloom products, the Weaver's Service Centre and National



Institute of Fashion Technology are providing necessary assistance.



#### **Handloom Weaving**

Handloom Sector in Tamilnadu, is unique in the sense that majority of the handloom weavers are in the Co-operative fold. There are 1163 Handloom Weavers Co-operative Societies with 3.50 lakh weavers as its members. The Handloom Weavers Co-operative Societies mostly exist in rural and semi-urban areas, where there is large concentration of weavers. During the year 2014-2015, the Handloom Weavers Co-operative Societies have produced 1124.25 lakh metres of

handloom cloth and sold handloom goods to the extent of Rs.1088.05 crores. Out of 1163 Handloom Weavers Co-operative Societies, 946 Handloom Weavers Co-operative Societies are working with profit. All the developmental and welfare schemes implemented by the Government of Tamilnadu and Government of India for the weavers are being implemented through the Weavers' Co-operative Societies in the State.

The handloom weavers outside the co-operative fold are also getting benefits under various schemes being implemented by the Government, namely, Mahatma Gandhi Bunkar Bima Yojana and Rashtriya Swasthya Bima Yojana. Other welfare schemes for handloom weavers outside the Co-operative fold are being implemented through Tamilnadu Handloom and Handloom Silk Weaving Workers Welfare Board. 2,68,282 handloom weavers have been enrolled as members of this Board.

## **2.2 Powerloom Sector**

Powerloom is an important segment contributing to about 62% of total cloth production in the country. Powerloom also contributes to about 60% of export fabric produced in the country. The readymade garments

segment in the country is also dependent on the powerloom industry. The powerloom industry in India is characterized by small, fragmented unorganized units concentrated in rural and semi-urban areas in some of the well known textile hubs of the country. Maharashtra, Gujarat and Tamilnadu are the largest powerloom hubs. Bhiwandi in Maharashtra, Surat in Gujarat, Salem and Namakkal in Tamil Nadu are the largest powerloom clusters in India. These three hubs together account for about 81% of powerlooms in India. The Powerloom sector in the country provides employment opportunity to 44.18 lakh people.



**Powerloom**

The Government of India is promoting the powerloom industry through its strategically located Powerloom Service Centres and Computer-Aided Design

Centres. The Government of India have been implementing various welfare and development schemes for the powerloom sector which includes the Group Insurance Scheme, Group Work Shed Scheme, Integrated Powerloom Sector Development Scheme and Technology Up-gradation Fund Scheme under which the 20% Margin Money Subsidy is provided to the beneficiaries.

The powerloom sector in Tamilnadu plays a significant role in meeting the clothing needs of the people. Tamilnadu stands **second in the country** in terms of number of powerlooms. This sector provides employment to around 10.19 lakh persons. Out of 24.86 lakh powerlooms in the Country, 5.63 lakh powerlooms are in Tamilnadu. The major powerloom clusters in Tamilnadu includes Salem, Erode, Coimbatore, Avinashi, Somanur, Palladam, Karur, Tiruppur, Tiruchengode, Komarapalayam, Rasipuram, Rajapalayam, Madurai, Chatrapatti, Dhalaivaipuram, Puliankudi and Aruppukottai.

There are 59058 powerlooms functioning under 188 Powerloom Weavers Co-operative Societies. The Powerloom Weavers Co-operative Societies are

producing cloth required for the Cost Free Distribution of Sarees and Dhothies Scheme and Cost Free Uniforms to School Children. During the year 2014-2015, the Powerloom Weavers Co-operative Societies have produced 16.83 crore metres of cloth valued at Rs.654.80 crores and sold powerloom goods worth Rs.699.27 crores.

### **2.3 Spinning Sector**

The Spinning Sector in Tamilnadu is the largest in the country. The majority of the spinning mills are managed by private sector and are cotton spinning-oriented. Out of 3,301 textile mills in India, 1,983 mills are located in Tamilnadu. **Tamilnadu is the leading State in the Country in having the largest number of Spinning Mills.** There are also 6 Co-operative Spinning Mills and 7 National Textile Corporation Mills functioning in the State. The Spinning mills in the State are functioning with 22.42 million spindles. The State produces about 2025.64 million kilograms of spun yarn annually and this is about 46.78% of the spun yarn produced in the entire nation. Tamilnadu is the **number one** producer of cotton yarn and other types of yarn in

the country. **Tamilnadu is also the leading State in the Country in terms of export of cotton yarn.**



**Spinning Hall**

#### **2.4 Garments and Hosiery Sector**

The garment sector occupies a predominant position in world trade as it is the fastest growing segment in the textile sector. The garment Industry in Tamilnadu has attained a self-reliant position from the basic raw material to the end product with value addition. The most special feature of the garment sector is

providing large scale employment to the women folk in the rural areas.



#### **Garment Unit**

Most of the hosiery units in the State are located at Tiruppur. Out of 13,000 hosiery units in India, 2,500 units are located in Tiruppur providing employment to around 3.50 lakh persons. During the year 2013-2014, 24.5 million sq.metres of fabrics were produced in Tiruppur. The total export turnover in Tiruppur during the year 2014-2015 was Rs.20,700 crores. Tiruppur has reported the highest ever export revenue during 2014-2015. During the year 2014-2015 knitwear exports from Tiruppur increased at an annual growth of about 10%.

## **2.5 Processing Sector**

The processing sector includes both pre-loom and post-loom activities, determines the value of the core product, quality and has tremendous scope for innovations and control over the final output. The processing is an important value added segment in the textile industry. There are around 2,300 processing mills in India. Most of these are independent units, with only 22 units being integrated with spinning, weaving or knitting units. Additionally, there are about 27,000 manufacturers, 48,000 contractors and 1,000 manufacturer-exporters of garments in India.

## **3. THE DEPARTMENT OF HANDLOOMS AND TEXTILES**

The Department of Handlooms and Textiles is functioning under the administrative control of the Principal Secretary to Government, Handlooms, Handicrafts, Textiles and Khadi Department. The Director of Handlooms and Textiles is the Head of the Department who is assisted by various level officers at Headquarters and Deputy / Assistant Directors of Handlooms and Textiles at Circle level.



The Department of Handlooms and Textiles primarily aims to promote in holistic way the growth of handloom, powerloom and other sectors of the textile industry, and to strive for the welfare of all the stakeholders connected with industry, more particularly, the handloom weavers and the textile workers.

The Department of Handlooms and Textiles is responsible for implementing various schemes for the development of handloom and textile industry and for the welfare of the weavers and other stakeholders. The Director of Handlooms and Textiles is implementing the policies and schemes of the Government and ensures that the benefits of the schemes reach the weavers and other stakeholders through the Deputy / Assistant Directors of Handlooms and Textiles at various circles.

The Director of Handlooms and Textiles is the “Functional Registrar” for the Co-operatives relating to handlooms and textile industry in the State and vested with powers delegated as per the Tamil Nadu Co-operative Societies Act 1983 and Rules 1988. The Department has the overall responsibility for ensuring the availability of raw materials to all the sectors of the

industry, at reasonable prices for augmenting the production of yarn and fabrics. It has a special responsibility to the co-operative sector for the supply of yarn and other raw materials and also for arranging marketing of the finished products through societies' own showrooms, agency showrooms, Co-optex and "Loom World" showrooms. The Department is also responsible for planning, formulating and monitoring of all schemes of both Central and State Governments.

The Offices and the Institutions functioning under the administrative control of the Department of Handlooms and Textiles are as follows:-

### **3.1 Circle Offices of the Deputy Directors / Assistant Directors of Handlooms and Textiles**

<b>S.No.</b>	<b>Name of the Circle</b>	<b>S.No.</b>	<b>Name of the Circle</b>
1	Kancheepuram (Deputy Director)	11	Thiruvallur
2	Salem (Deputy Director)	12	Erode
3	Vellore	13	Tiruppur
4	Thiruvannamalai	14	Coimbatore
5	Cuddalore	15	Dindigul
6	Kumbakonam	16	Madurai
7	Tiruvarur	17	Paramakudi
8	Tiruchirappalli	18	Virudhunagar
9	Karur	19	Tirunelveli
10	Tiruchengode	20	Nagercoil

### 3.2 Enforcement Offices to implement the Handlooms (Reservation of Articles for Production) Act 1985

S.No.	Name of the Enforcement Office
1	Deputy Director (Enforcement), Chennai.
2	Assistant Enforcement Office, Salem.
3	Assistant Enforcement Office, Tiruchengode.
4	Assistant Enforcement Office, Erode.
5	Assistant Enforcement Office, Tiruppur.
6	Assistant Enforcement Office, Madurai.

### 3.3 Institutions

- 1) 1163 Handloom Weavers Co-operative Societies.
- 2) 188 Powerloom Weavers Co-operative Societies.
- 3) 6 Co-operative Spinning Mills [Anna (Theni), Bharathi (Thoothukudi), Pudukottai, Kanyakumari, Krishnagiri (Uthangarai) and Ramanathapuram (Achankulam)]
- 4) Tamilnadu Handloom Weavers Co-operative Society Limited (Co-optex), Chennai.
- 5) Tamilnadu Handloom Development Corporation Limited, Chennai.
- 6) Tamilnadu Textile Corporation Limited, Coimbatore.
- 7) Tamilnadu Zari Limited, Kancheepuram.

8) Tamilnadu Co-operative Textile Processing Mills Limited, Erode.

9) Tamilnadu Co-operative Spinning Mills Federation Limited (TANSPIN), Chennai.

**4. SPECIAL INITIATIVES / SCHEMES IMPLEMENTED BY THE DEPARTMENT**

**4.1 Chief Minister's Solar Powered Green House Scheme for Handloom Weavers**

The Government have allotted a sum of Rs.260 crores towards construction of 10,000 houses for handloom weavers under Chief Minister's Solar Powered Green House Scheme. The houses are being constructed in an extended area of 365 sq.ft at a cost of Rs.2.60 lakh per house (Rs.2.30 lakh for construction and Rs.0.30 lakh for solar power), so as to accommodate the "handlooms" in these houses, enabling handloom weavers to weave at their home itself. Accordingly, 10,000 beneficiaries have been identified and construction of all the 10,000 green houses has been taken up. This scheme is being implemented in co-ordination with the Rural Development and Panchayat Raj Department. The construction of 6,161 houses has been completed and the remaining 3,839 houses are at various stages of construction as on 31.03.2015.



**Chief Minister's Solar Powered Green House in Chennimalai Block at Erode District**



**A Cluster of Green Houses under Construction at Tiruppur Block in Tiruppur District**

The District wise allocation of houses for handloom weavers are as follows:-

Sl. No	District	Number of Houses	Sl. No	District	Number of Houses
1	Coimbatore	575	15	Ramnad	76
2	Cuddalore	167	16	Sivagangai	49
3	Villupuram	443	17	Salem	1490
4	Dindigul	290	18	Dharmapuri	7
5	Erode	2550	19	Namakkal	64
6	Kancheepuram	490	20	Thiruvallur	117
7	Karur	110	21	Thiruvannamalai	590
8	Thanjavur	109	22	Tirunelveli	63
9	Ariyalur	254	23	Thoothukudi	11
10	Perambalur	12	24	Tiruppur	811
11	Nagapattinam	30	25	Tiruvarur	36
12	Madurai	95	26	Trichirappalli	243
13	Theni	285	27	Vellore	695
14	Kanyakumari	100	28	Virudhunagar	238
<b>Total</b>					<b>10000</b>

#### 4.2 Supply of Pedal Looms

Based on the announcement made by the Hon'ble Chief Minister on the floor of the Legislative Assembly,

the Government have approved a scheme to install 6000 pedal looms over a period of 3 years @ 2000 pedal looms per year at a cost of Rs.24.00 crores with an aim to reduce the drudgery and to increase the productivity of handloom weavers. Accordingly, orders have been issued sanctioning Rs.8.00 crores towards supply of 2000 pedal looms in the 1<sup>st</sup> phase during the year 2013-2014 and another 2000 pedal looms for the year 2014-2015 at a cost of Rs.8.00 crores. Pedal looms are being supplied to 4000 handloom weavers in various districts as indicated below:-

<b>Sl. No.</b>	<b>Name of the Circle</b>	<b>Number of Pedal looms allotted</b>
1.	Kancheepuram	100
2.	Tiruvallur	375
3.	Vellore	400
4.	Thiruvannamalai	300
5.	Cuddalore	250
6.	Kumbakonam	100
7.	Tiruvarur	150
8.	Karur	100
9.	Salem	325
10.	Tiruchengode	300
11.	Erode	200
12.	Coimbatore	244
13.	Madurai	500
14.	Tirunelveli	356
15.	Nagercoil	300
<b>Total</b>		<b>4000</b>

A provision of Rs.13.105 crores has been made in the Budget Estimate for the year 2015-2016 for the final phase of 2000 pedal looms.



**Pedal Loom Weaving**

#### **4.3 Supply of Motorised Pirn Winding Machines**

In order to overcome the short supply of pirns for weavers and also to sustain the weaving activity, the Government have decided to supply motorised pirn winding machines to handloom weavers free of cost, based on the announcement made by the Hon'ble Chief Minister on the floor of Assembly. Government have sanctioned Rs.3.75 crores towards supply of 25,000 motorised pirn winding machines to the handloom



weavers at a cost of Rs.1,500/- per machine during 2013-2014. Accordingly, motorised pirn winding machines have been supplied to 25,000 handloom weavers free of cost as given below:-

<b>Sl. No.</b>	<b>Name of the Circle</b>	<b>Number of Pirn Winding Machines supplied</b>
1.	Kancheepuram	340
2.	Tiruvallur	800
3.	Vellore	1625
4.	Thiruvannamalai	480
5.	Cuddalore	635
6.	Kumbakonam	1685
7.	Tiruvarur	80
8.	Karur	290
9.	Salem	1040
10.	Tiruchengode	1040
11.	Erode	7425
12.	Coimbatore	995
13.	Madurai	725
14.	Tirunelveli	1120
15.	Nagercoil	2595
16.	Tiruppur	860
17.	Trichy	200
18.	Virudhunagar	930
19.	Dindigul	810
20.	Paramakudi	1325
<b>Total</b>		<b>25000</b>



**Motorised Pirn Winding Machine**

#### **4.4 Supply of Motorised Warping Machines to Handloom Weavers**

Warping is one of the pre-loom activities being carried out manually by the women members of the weaver's family. From time immemorial, the pre-loom activities have been carried out as a family profession involving members of the weaver's family and remained as the main source of their income. Over a period of time, the industry is facing difficulty in getting ready warp for weaving which in turn affects the production of handloom weavers resulting in loss of employment. In

order to overcome these hurdles, the Government have decided to mechanize the warping activity and introduced motorised warping machine.



**Motorised Warping Machine**

In order to provide timely supply of warp yarn required for weavers so as to provide continuous employment, the Government have sanctioned a sum of Rs.80 lakhs to provide motorised warping machines to Handloom Weavers Co-operative Societies. Accordingly, Motorised Warping Machines are being supplied to 100 Handloom Weavers Co-operative Societies.

#### 4.5 Modernisation of Powerlooms

In order to modernise the ordinary powerlooms by way of attachment of modern equipments such as warp stop motion, electronic weft stop motion and positive let-off motion, a sum of Rs.80 lakhs has been sanctioned during the year 2014-2015 @ Rs.10,000 per loom. Accordingly, 800 powerlooms of Salem, Erode, Tiruppur, Tiruchengode, Coimbatore and Madurai circles are modernised. The circle-wise details of powerlooms modernised are given below:-

Sl.No.	Name of the Circle	Number of Powerlooms modernised
1.	Salem	25
2.	Erode	320
3.	Tiruppur	50
4.	Tiruchengode	94
5.	Coimbatore	286
6.	Madurai	25
<b>Total</b>		<b>800</b>

#### 4.6 Revival, Reforms and Restructuring Package for Handloom Sector

The scheme for “Revival, Reforms and Restructuring Package for Handloom Sector” has been implemented by the Government of Tamilnadu with the

financial assistance of Government of India. Under this scheme, the Government have sanctioned Rs.147.71 crores (Central share Rs.116.31 crores and State share Rs.31.40 crores) for the benefit of 718 Handloom Weavers Co-operative Societies, 520 individual weavers and Co-optex during the year 2012-2013 and 2013-2014.

The Revival, Reforms and Restructuring Package for Handloom Sector also provides assistance for Common Accounting System and Computerization of Primary Weavers Co-operative Societies. During the year 2014-2015, a grant of Rs.285.60 lakhs has been received from Government of India towards computerisation and common accounting system for 718 Primary Weavers Co-operative Societies.

#### **4.7 Weavers Credit Card Scheme**

The Weavers Credit Card Scheme aims at providing adequate and timely assistance from the banking institutions to the weavers to meet their credit requirements i.e. for investment needs as well as for working capital in a flexible and cost effective manner. The Government of Tamil Nadu have been implementing

the Weavers Credit Card Scheme from the year 2012-2013. This scheme provides for credit to the handloom weavers at lesser rate of interest. Under this scheme, Credit Cards are issued to the eligible weavers for availing loan from the financing banks from Rs.25,000/- to a maximum amount of Rs.2,00,000/-. Under this scheme, margin money assistance is also provided at Rs.10,000/- per weaver. This Credit Card is valid for 3 years and 3% Interest subvention on bank interest is also granted for 3 years by Government of India.



**A Weaver from Cuddalore with Credit Card**

The performance of Weavers Credit Card Scheme is as follows:-

<b>Year</b>	<b>No. of Cards Issued</b>	<b>Amount sanctioned (Rs. in crores)</b>
2012-2013	10677	26.16
2013-2014	22066	56.54
2014-2015	17058	42.32

**Tamil Nadu is one of the leading States in the country in terms of number of credit cards issued and credit extended.**

#### **4.8 Enhancement of Old Age Pension and Family Pension**

The old age pension payable to handloom weavers under the Tamil Nadu Co-operative Handloom Weavers Old Age Pension Scheme has been enhanced from Rs.400/- to Rs.1,000/- per month with effect from 01.01.2012 benefiting 20,456 handloom weavers. The family pension payable under the Tamil Nadu Co-operative Handloom Weavers Family Pension Scheme has also been enhanced from Rs.550/- to Rs.1,000/- per month with effect from 01.01.2012 benefiting 1,486 families.

#### **4.9 Enhancement of Contribution under Co-operative Handloom Weavers Savings and Security Scheme**

The Central share of 4 paise per rupee of wages paid from the year 1985-1986 to 2006-2007 under Co-operative Handloom Weavers Savings and Security Scheme was stopped by Government of India with effect from 01.04.2007. Due to stoppage of central share, the State Government has enhanced its share from 4 paise to 8 paise per rupee of wages earned by the handloom weavers with effect from 12.07.2012. Under this scheme, 71,842 weavers are getting benefited.

#### **4.10 Payment of Interest Subsidy on Monthly Basis**

In order to speed up the process of settlement of interest subsidy, the procedure for payment of interest subsidy on quarterly basis to the Handloom Weavers Co-operative Societies has been modified and paid on monthly basis from November 2012. Besides, the power for sanction of interest subsidy has also been delegated to the Director of Handlooms and Textiles.



#### **4.11 Award to Best Weaver**

During the year 2013-2014, the Government have introduced a scheme of giving cash award of Rs.1,00,000/- for “Best Weaver”, with a view to encourage the handloom weavers, who have been working for the development of Handloom Weavers Co-operative Societies in terms of production and sales. For the year 2013-2014, best weaver award of Rs.1,00,000/- was given to a weaver of Thirubhuvanam Silk Handloom Weavers Co-operative Society. Best weaver award for the year 2014-2015 was given to a weaver of Thirubuvanam Chozhan Silk Handloom Weavers Co-operative Society.

#### **4.12 Stipend for the Apparel Training**

Based on the needs of the fast growing and technologically advanced apparel industry, Apparel Training and Design Centre provides necessary skills training in textile sector. The training is usually in textile, apparel, handloom, handicrafts, jute, sericulture and technical sector to create employment opportunities for rural and urban youth. At present, there are 16 Apparel Training and Design Centres in the State. To encourage successful trainers who have under gone training in

Apparel Training and Design Centre for a period of 45 days, the State Government have announced a scheme under which it provides Rs.2000/- as stipend per trainee. During the year 2014-2015, the State Government have sanctioned a sum of Rs.37.82 lakhs towards payment of stipend of Rs.2000/- each to 1891 trainees.

#### **4.13 Awarding Scholarships to the Wards of Workers of Co-operative Spinning Mills and Tamil Nadu Co-operative Textile Processing Mills**

In order to encourage the wards of workers of Co-operative Spinning Mills and Tamil Nadu Co-operative Textile Processing Mills, a scheme to provide stipend to the wards of workers who have scored highest marks in 10<sup>th</sup> and 12<sup>th</sup> standard is implemented. Under this scheme, students who have scored highest marks in first 3 places in 10<sup>th</sup> standard are given stipend of Rs.5000/-, Rs.3000/- and Rs.2000/- respectively. Similarly, for the 12<sup>th</sup> std, 3 students who have obtained highest marks are given stipend of Rs.10,000/-, Rs.7,500/- and Rs.5000/- respectively.

#### 4.14 Handloom Exhibitions at Metropolitan Cities

The Department in a major initiative to promote sale of Tamilnadu handloom products, organised handloom exhibitions in 5 Metropolitan Cities. The basic aim of organising handloom exhibitions is to showcase the handloom products under one roof and to widen the market base of Tamil Nadu handlooms besides to create awareness among the people about the hand-woven products. The Government have sanctioned Rs.40.00 lakhs towards conducting these exhibitions at 5 metropolitan cities at a cost of Rs.8.00 lakhs each during the year 2014-2015. The details regarding period of exhibition and the sales generated are as follows:-

<b>Sl. No</b>	<b>Place of Event</b>	<b>Date</b>	<b>Sales (Rs. in lakhs)</b>
1	New Delhi	26.02.2015 to 08.03.2015	62.55
2	Kolkatta	06.03.2015 to 15.03.2015	79.98
3	Mumbai	11.03.2015 to 19.03.2015	55.89
4	Bengaluru	20.03.2015 to 29.03.2015	85.15
5	Hyderabad	01.05.2015 to 10.05.2015	63.42



**Inaugural Function of Handloom Exhibition  
at New Delhi on 26.02.2015**

#### **4.15 Assistance for Upgradation of Silk Looms**

Silk weaving is the major activity for weavers in Kancheepuram, Salem, Kumbakonam, Thiruvannamalai, Cuddalore, Tiruchengode and Tiruvarur. In order to reduce the drudgery of the weavers and to increase the production, the Government of Tamilnadu along with Central Silk Board under Ministry of Textiles, Government of India are providing financial assistance to the tune of Rs.10,000/- per weaver in 50:50 ratio for upgradation of silk loom with modern loom accessories

such as Jacquard box, dobby and motorised pirn winding machine.

1239 silk weavers from 20 Primary Handloom Weavers Co-operative Societies have benefited under this scheme during the year 2014-2015.

#### **4.16 Design Development and Product Diversification**

In order to enhance the wage earning capacity of handloom weavers, the department is encouraging the weavers to switch over to marketable varieties and better value-added products such as home furnishings, foot-mats, made-ups, kitchen materials and other utility items.

To promote the sale of handloom cloth varieties produced by the Handloom Weavers Co-operative Societies, 500 new designs were developed with the assistance of National Institute of Fashion Technology, Chennai. These new designs were distributed to the Handloom Weavers Co-operative Societies at Paramakudi, Negamam (Coimbatore), Vanavasi (Salem), Vadamanappakkam (Thiruvannamalai), Arani (Thiruvannamalai) and Chinnalapatti (Dindigul) for production of sarees.

#### **4.17 Establishment of Common Testing Lab at Anna Co-operative Spinning Mills, Andipatti**

In order to ensure the prescribed quality of yarn, quality of cotton purchased and yarn produced in the Co-operative Spinning Mills is tested. An in-house, Common Testing Lab has been established in Anna Co-operative Spinning Mills, Andipatti at a cost of Rs.65 lakhs and it is functioning from 10.07.2014. The Co-operative Spinning Mills as well as the Weavers Co-operative Societies are utilizing the testing laboratory for testing quality of cotton and yarn.



**Common Yarn Testing Laboratory at Anna Co-operative Spinning Mills**

#### **4.18 Re-opening and Modernisation of Tamilnadu Co-operative Textile Processing Mills, Erode**

The closed Tamil Nadu Co-operative Textile Processing Mills at Erode was re-opened on 10.06.2011 by the Hon'ble Chief Minister of Tamil Nadu. The Mill earned a profit of Rs.3.26 crores during 2012-2013 and Rs.1.24 crores during 2013-2014.

This mill is undertaking various processing activities such as bleaching, dyeing, mercerizing and printing. The mill has the capacity to process about 50,000 metres per day. In order to increase the processing capacity of the mills to the level of 70,000 metres per day, the Government have approved a scheme to modernise the machineries of the mill and sanctioned Rs.5.82 crores. Accordingly, the mill has been modernised by installing new machineries such as jigger machine, folding machine, stenter machine, boiler and thermopac. The mill has commenced trial production from 01.03.2015. The mill is currently processing 70,000 metres of fabric per day. Tamil Nadu Co-operative Processing Mills with improved capacity

can now handle higher quantity of fabric required for Cost Free Distribution of Dhoties and Sarees Scheme and for Cost Free Uniform Scheme.



**New Stenter Machine Installed at Tamilnadu Co-operative Textile Processing Mills Ltd., Erode**

#### **4.19 Assistance to Co-operative Spinning Mills**

- The Government have sanctioned ways and means advance of Rs.863.43 lakhs to 5 Functional Co-operative Spinning Mills to settle the statutory dues including Employees Provident Fund during the period from 2012 to 2014.
- The Government have also sanctioned ways and means advance of Rs.9,226.44 lakhs to the non-functional Co-operative Spinning Mills to settle



the statutory dues including Employees Provident Fund during the period from 2012 to 2015.

#### **4.20 Modernisation of Co-operative Spinning Mills**

The Government have provided additional fund including National Co-operative Development Corporation loan of Rs.42.80 crores during 2014-2015 in addition to Rs.104.41 crores provided originally (total amount of Rs.147.21 crores) to complete rehabilitation-cum modernisation of 5 Co-operative Spinning Mills. Accordingly, modernisation works in respect of 5 Co-operative Spinning Mills, viz., Anna, Bharathi, Pudukottai, Kanyakumari, Krishnagiri District Co-operative Spinning Mills are going in full swing. Modernization work is taken up in two phases as these mills continue to remain functional during the modernization period. First phase has been completed and second phase is currently underway.



**Bharathi Co-operative Spinning Mill  
Blow Room**



**Kanyakumari District Co-operative Spinning Mill  
Carding Section**



**Krishnagiri District Co-operative Spinning Mill  
Simplex Section**



**Anna Co-operative Spinning Mill  
Spinning Section**



**Pudukottai District Co-operative Spinning Mill  
Drawing Section**

#### **4.21 Modernisation and Re-opening of Ramanathapuram District Co-operative Spinning Mill**

The Government have sanctioned additional grant of Rs.9.59 crores during 2014-2015, in addition to original sanction of Rs.18.43 crores (total amount of Rs.28.02 crores) towards completion of modernisation of closed Ramanathapuram District Co-operative Spinning Mill. Accordingly, Ramanathapuram District Co-operative Spinning Mill has been modernised, re-opened and trial production was commenced from 04.03.2015.



**Newly Installed Auto Coner at Ramnathapuram District  
Co-operative Spinning Mill**

After modernization, 6 Co-operative Spinning Mills' efficiency and quality of yarn is expected to increase manifold. These functional Co-operative Spinning Mills can now meet yarn requirement of Cost Free Distribution of Sarees and Dhoties Scheme and Cost Free Uniforms Schemes to a greater extent.

**4.22 Installation of Automatic Shuttleless  
Powerlooms**

In order to improve the quality of cloth to increase the volume of production and to provide continuous employment to workers of Tamil Nadu Textile Corporation Ltd., Coimbatore, the Government have sanctioned a sum of Rs.4.78 crores as loan to Tamil

Nadu Textile Corporation Limited, towards installation of 10 shuttleless auto looms. Accordingly, 10 Airjet looms have been installed and trial production has commenced from March 2015. This will help Tamil Nadu Textile Corporation to produce large quantity of uniform and higher quality fabric.



**New Automatic Shuttleless Powerloom (Airjet Looms) Installed at Tamilnadu Textile Corporation Ltd.,Coimbatore**

#### **4.23 Common Facility Centres**

The Government have implemented the Integrated Handloom Development Scheme with the assistance of Government of India. Under this Scheme, the Government of India have approved 49 mini

handloom clusters for Tamil Nadu. Common Facility Centre is one of the components of Cluster Development Programme. Out of 49 handloom clusters, financial assistance towards construction of 41 Common Facility Centres has been sanctioned by the Government of India. Accordingly, the Common Facility Centres have been constructed.

The details of the Common Facility Centres constructed are as follows:-

(Rupees in lakhs)

Sl. No.	Name of the Common Facility Centre	Name of the District	Project Cost
<b>Implementing Agency: Co-optex</b>			
1	Sirumugai	Coimbatore	19.70
2	Palani	Dindigul	19.70
3	Aappakudal	Erode	19.70
4	Thandampalayam	Erode	19.70
5	Nilaiyur	Madurai	19.70
6	Jeyamkondam	Perambalur	19.70
7	Padrivedu	Tiruvallur	19.70
8	Sholingar	Vellore	19.70
9	Kandachipuram	Villupuram	19.70
<b>TOTAL</b>			<b>177.30</b>
<b>Implementing Agency: Department of Handlooms and Textiles</b>			
10	Pudupettai	Cuddalore	13.75
11	Chinnalapatti	Dindigul	30.00
12	D.G. Pudur	Erode	30.00
13	Chennimalai	Erode	30.00

14	Palliyadi	Kanyakumari	17.45
15	Vengamedu	Karur	21.75
16	Vandiyur	Madurai	24.50
17	Emaneswaram	Ramanathapuram	23.00
18	Edappadi	Salem	29.00
19	Attayampatti	Salem	27.50
20	Thirubuvanam	Thanjavur	10.75
21	Tiruppur	Tiruppur	30.00
22	Sawyerpuram	Thoothukudi	23.75
23	Gudiyatham	Vellore	29.25
24	Punalveli	Virudhunagar	30.00
25	Sengunthapuram Sri Sundara Vinayagar	Ariyalur	16.76
26	Vadambacherry	Coimbatore	18.77
27	Kanjikovil	Erode	30.00
28	Bhavani	Erode	28.50
29	Pallakkattupudur	Erode	28.00
30	Murugan	Ramanathapuram	29.75
31	Palayamkottai	Tirunelveli	22.75
32	Pandian Nagar	Tiruppur	30.00
	<b>TOTAL</b>		<b>575.23</b>
<b>Implementing Agency: Tamil Nadu Handloom Development Corporation Ltd.</b>			
33	Pollachi	Coimbatore	19.55
34	Naduveerapatti	Cuddalore	11.05
35	Dhottampalayam	Erode	18.00
36	Pillayarpalayam	Kancheepuram	15.45
37	Paramathivellore	Namakkal	29.55
38	Ayyampettai	Thanjavur	11.00
39	Srivilliputhur	Virudhunagar	22.25
		<b>TOTAL</b>	<b>126.85</b>
<b>Implementing Agency: Weavers Service Centre</b>			
40	Essalem	Cuddalore	18.00
41	Dadagappati	Salem	10.50
		<b>TOTAL</b>	<b>28.50</b>



(Rupees in lakhs)

<b>ABSTRACT</b>		
1	Co-optex	177.30
2	Department of Handlooms and Textiles	575.23
3	Tamil Nadu Handloom Development Corporation Ltd.	126.85
4	Weavers Service Centre	28.50
<b>GRAND TOTAL</b>		<b>907.88</b>

These Common Facility Centres provide basic infrastructure facilities such as godown, office, facilities for dyeing, training, pre-loom and post-loom activities to the weavers.



**Common Facility Centre at Paramathivellore Handloom Cluster**

#### **4.24 Integrated Processing Development Scheme**

Textile processing sector has been facing a number of challenges including availability of water, and disposal of effluents and solid wastes. The effluent from the dyeing and bleaching units has caused severe environmental issues. The peculiar challenge of treatment of effluent by the textile processing industry, which is considered to be the weakest link in textile value chain has resulted in closing down of certain units on account of intervention by the various courts. In order to effectively tackle the prevalent problems faced by the processing industry, Government of India has formulated a new Scheme called “Integrated Processing Development Scheme”.

The primary objective of the Integrated Processing Development Scheme is to facilitate the textile industry to become globally competitive using environment-friendly processing standards and technology. This scheme envisages new processing parks as well as support for the upgradation of existing processing clusters specifically in the area of waste water management. The Government of Tamil Nadu has

come forward to support feasible proposals by providing 25% of the approved cost as State share.

#### **4.25 Issue of Identity Cards to Handloom Weavers**

In order to facilitate the handloom weavers to get the benefits under various welfare schemes of the Central and State Government, the Government have approved to issue "Identity Card" to handloom weavers in Weavers Co-operative Societies. Accordingly, identity cards were issued to 1,06,922 handloom weavers at a cost of Rs.28.60 lakhs during the year 2013-2014.

#### **4.26 Election to Weavers' Co-operative Societies**

As per the Constitution (97<sup>th</sup> Amendment) Act 2011, every co-operative society should be managed by the elected Board of Directors. Elections were conducted in 3 phases (Primary level Societies, Central Level Societies and Apex Level Societies) during March to July 2013. The number of Weavers Co-operative Societies for which elections were conducted in 3 phases are as follows:-

<b>Phase</b>	<b>Type of Weavers Co-operative Society</b>	<b>No.of Weavers Co-operative Societies for which Election was conducted</b>	<b>Date of charge assumed by the Boards</b>
Phase-I	Primary Level Societies	1345	09.05.2013
Phase-II	Central Level Societies	20	11.06.2013
Phase-III	Apex Level Societies	3	17.07.2013
<b>TOTAL</b>		<b>1368</b>	

#### **4.27 Enhancement of Wages to Handloom Weavers**

The handloom weavers in Weavers Co-operative Societies are getting wages depending upon the variety of products produced by them. In order to compensate the hike in prices of various commodities, 10% wage increase has been given to the handloom weavers belonging to Weavers Co-operative Societies. The Government have permitted the Weavers Co-operative Societies to allow 10% wage increase four times during the past four years. i.e during 2011, 2012, 2013 and 2014. Accordingly, the handloom weavers are getting enhanced wages.

#### **4.28 Additional Wages to Weavers for Pre-loom Activities**

The weavers who are engaged in production of Cost Free Sarees and Dhothies have been given additional wages of Rs.20.50 per saree and Rs.10.30 per dhoti for pre-loom activities from the year 2012-2013. Due to this gesture, 11,000 handloom weavers and their family members have benefited.



**Pre-loom Activity**

The handloom weavers who are engaged in the production of other varieties such as cotton and silk sarees, lungies, towels and bedsheets have also been given preparatory wages separately for pre-loom

activities such as warping, sizing and winding with effect from 01.11.2014.



**Pre-loom Activity**

#### **4.29 Timescale to the temporary Staff in the Weavers' Co-operative Societies and Constitution of Committee for Revision of Pay Structure of Employees**

In order to redress the grievances of temporary employees working in the Weavers Co-operative Societies, the Hon'ble Chief Minister has announced that these temporary employees of the Handloom and Powerloom Weavers Co-operative Societies who have put more than ten years of service would be brought under special time scale of pay. The pay of 424 staff

working in the Weavers Co-operative Societies on consolidated pay for more than ten years have been regularized by providing the special time scale of pay with effect from 01.01.2013.

Further, the pay structure of employees of Weavers Co-operative Societies was also revised with effect from 01.01.2008.

After the expiry of five years period of previous hike on 31.12.2012, representations have also been received from the associations of the societies' Staff demanding to constitute pay commission and to revise the pay structure from 01.01.2013. In order to redress the grievances of employees of the Weavers Co-operative Societies, a committee has been constituted to examine the issues related to revision of pay structure of employees.

#### **4.30 Pay Revision to Workers and Staff of Co-operative Spinning Mills**

The Government have constituted a committee on 10.07.2012 to review the pay revision demands of employees and workers of Co-operative Spinning Mills. Based on the recommendations of the committee constituted for pay revision, the Government have

approved revision of the pay structure of the employees of Co-operative Spinning Mills by allowing 12% increase in pay with effect from 01.01.2013.

Similarly, for the workers of the Co-operative Spinning Mills, wage increase of Rs.1800/- per month was sanctioned by the Government with effect from 01.01.2013. 1015 workers in the 5 Co-operative Spinning Mills were also paid arrears of wages amounting to Rs.2.19 crores.

#### **4.31 Profitability of Handloom Weavers' Co-operative Societies**

The Government have extended financial support to the Weavers' Co-operative Societies under Revival, Reforms and Restructuring Package for Handloom Sector, arranged cash credit facilities at concessional rate of Interest from NABARD and also allowed interest subsidy to reduce interest burden. Government have also taken other measures such as supply of pedal looms, pirn winding machines free of cost, provision of rebate subsidy, marketing incentive and assistance to organise exhibitions within and outside the State. In view of these effective measures taken by the Government,



the number of profitable societies has increased to 946 during the year 2014-2015 from 819 in 2013-2014. The total profit earned by the societies has also gone up to Rs.67.67 crores in 2014-2015 against Rs.58.77 crores during 2013-2014.

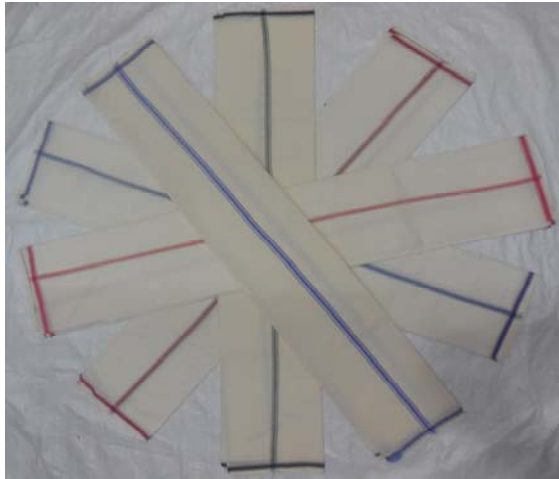
## **5. SCHEMES IMPLEMENTED BY THE DEPARTMENT AND PROGRAMMES FOR THE YEAR 2015-2016**

### **5.1 Cost Free Distribution of Sarees and Dhoties Scheme**

The Cost Free Distribution of Sarees and Dhoties Scheme is one of the flagship schemes of the Government of Tamil Nadu, which has been implemented by the Government every year so as to distribute sarees and dhoties on the eve of pongal festival to the needy people. This scheme provides continuous employment to 11,000 handloom weavers and 54,000 powerloom weavers belonging to Weavers Co-operative Societies, besides fulfilling the clothing needs of nearly 3.28 crores people living in the rural and urban areas in Tamilnadu.



**A set of Cost Free Sarees**



**A set of Cost Free Dhoties**

The department is entrusted to implement the scheme. The department is performing various tasks such as procurement of yarn, production, procurement and distribution of Sarees and Dhoties to the Revenue Department.

The Government will continue to implement the above scheme for Pongal 2016, for which a provision of Rs.499.16 crores has been made in the Budget Estimate for the year 2015-2016.

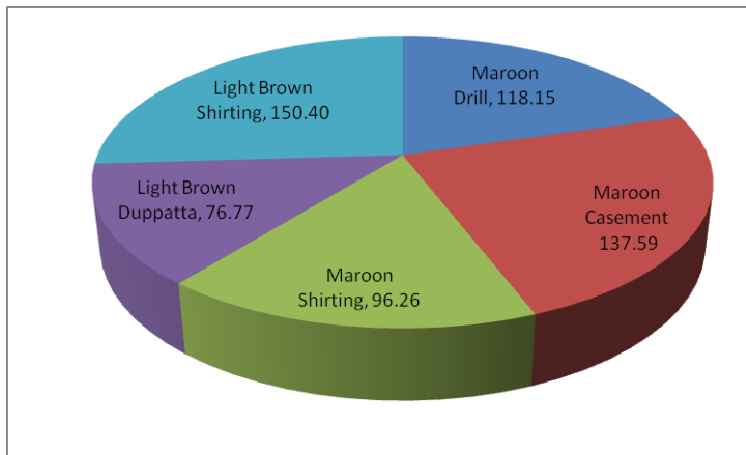
## **5.2 Free Supply of Uniform to School Children**

The Government have been implementing the scheme of Free Supply of Uniform to School Children who are studying from I std to VIII std and who are beneficiaries under Dr. Puratchi Thalaivar MGR Nutritious Meal Programme of Department of Social Welfare from the year 1985-1986. As per the announcement made by the Hon'ble Chief Minister, 4 sets of uniforms are being provided from the Academic Year 2012-2013. The Scheme provides continuous employment to around 10,000 handloom weavers and 53,000 powerloom workers who are members of Weavers Co-operative Societies.

The uniform cloth varieties required for the scheme namely, maroon drill, light brown duppatta, light brown shirting, maroon shirting and maroon casement are being produced by Handloom and Powerloom Weavers Co-operative Societies. 572.44 lakh metres of uniform cloth varieties have been produced and supplied under this scheme during the academic year 2014-2015. The Government have sanctioned and released Rs.320.00 crores as 90% advance for the year 2014-2015 for the implementation of the scheme.

The Government have accorded administrative sanction to continue the "Free Supply of Uniform Scheme" during the Academic year 2015-2016 and sanctioned an advance amount of Rs.160 crores. Accordingly, production plan has been given to Handloom and Powerloom Weavers Co-operative Societies.

The Uniform cloth required by Adi-Dravidar and Tribal Welfare Department, Backward Classes and Minorities Welfare Department, Most Backward Classes and De-notified Communities Welfare Department are also being supplied by the Department.



**Uniform Scheme 2015-16  
Requirement of cloth (in lakh metres)**



**School Children Wearing the Uniform Cloth**



**Uniform cloth being processed at Tamilnadu Co-operative Textile Processing Mills Ltd., Erode**

The uniform cloth requirement of various Departments for the academic year 2015-2016 are furnished below:-

<b>Name of the Department</b>	<b>Total requirement (in lakh metres)</b>	<b>No. of Students</b>
Social Welfare (including Adi-Dravidar Welfare)	576.48	45,47,000
Most Backward Classes and De-notified Communities Department	3.48	19,040
Backward classes Hostel students from IV to X std.	3.71	20,298
<b>TOTAL</b>	<b>583.67</b>	<b>45,86,338</b>

### **5.3 Rebate Subsidy Scheme**

Rebate Subsidy Scheme is being implemented by the Government of Tamilnadu in order to promote the sale of handloom cloth. This scheme enables the Primary Handloom Weavers Co-operative Societies and Co-optex to improve marketing of handloom products so as to facilitate the handloom weavers to get continuous and assured employment and also to prepare the handloom industry to compete with private retailers.

Under this scheme, the State Government permit the Primary Handloom Weavers Co-operative Societies and Co-optex to allow rebate at the rate of 20% for the sale of handloom cloth throughout the year for the retail and wholesale, subject to the limit of Rs.100/- per unit for cotton varieties and Rs.200/- per unit for silk varieties whichever is less.

On the eve of the birthday of Perarignar Anna, an additional 10% special rebate over and above the normal rebate of 20% i.e., 30% rebate is allowed for a period of 139 days from 15<sup>th</sup> September to 31<sup>st</sup> January every year. Under this special rebate, 30% or Rs.150/- per unit whichever is less for cotton varieties and 30% or

Rs.300/- whichever is less for silk varieties is allowed. During the year 2014-2015, a sum of Rs.78.455 crores was released to the Handloom Weavers Co-operative societies and Co-optex under Rebate Subsidy Scheme.

This scheme will also be continued during the year 2015-2016. A sum of Rs.78.455 crores has been provided in the Budget Estimate for the year 2015-2016.

#### **5.4 Interest Subsidy Scheme**

The Primary Weavers Co-operative Societies obtain working capital assistance from District Central Co-operative Banks under NABARD refinance scheme. In order to reduce the interest burden of the Primary Weavers' Co-operative Societies and to provide continuous employment to handloom weavers, "Interest Subsidy Scheme" is being implemented by the Government of Tamilnadu.

Under the scheme, 4% interest Subsidy is reimbursed on the rates charged by District Central Co-operative Banks to the Primary Weavers Co-operative Societies by the Government. In order to speed up the process of payment, the power of sanction of "interest subsidy" has been delegated to Director of



Handlooms and Textiles from November 2012 and the Interest subsidy is sanctioned on monthly basis, instead of quarterly basis.

During the year 2014-2015, a sum of Rs.10.50 crores was released to the Handloom Weavers Co-operative Societies under this scheme.

This scheme will be continued during 2015-2016 and a provision of Rs.10.50 crores has been made in the Budget Estimate for the year 2015-2016.

### **5.5 Comprehensive Handlooms Development Scheme**

The Government of India has introduced, new scheme namely “Comprehensive Handlooms Development Scheme” (CHDS) during the 12<sup>th</sup> plan period with the prime objective to uplift the handloom weavers. The Scheme has been formulated by merging all the major components of the schemes namely, Integrated Handloom Development Scheme (IHDS), Marketing and Export Promotion Scheme (MEPS) and Diversified Handloom Development Scheme (DHDS) implemented during the 11<sup>th</sup> plan.

The scheme will follow need based approach for integrated and holistic development of handlooms and

welfare of handloom weavers. The scheme will support weavers, both within and outside the co-operative fold including Self Help Groups, NGOs, etc., towards raw material, design inputs, technology up-gradation, marketing support through exhibitions, create permanent infrastructure in the form of urban haats, marketing complexes, setting up of Weavers Service Centres (WSCs) and Indian Institutes of Handlooms Technology (IIHTs), development of web portal for e-marketing of handloom products, etc. The Scheme has following components:-

#### **5.5.1 Consolidation of Clusters**

Clusters, having 300 – 500 handlooms will be taken up for consolidation. Only those clusters having potential for development will be considered for consolidation. This will be based on assessment made by an Independent Agency / Committee.

For consolidation of clusters taken up under X Plan, financial assistance upto Rs. 50 lakhs per cluster will be provided for implementing various interventions. Financial assistance towards hard interventions like technological up-gradation will be

shared in the ratio of 80:20 by the Government of India and Implementing Agency/Consortium, respectively while for other components financial assistance will be borne fully by the Government of India. Financial assistance will be released directly to the Implementing Agency.

Further, for consolidation of clusters taken up under XI Plan, additional funding (beyond Rs.60.00 lakhs or the approved project cost) upto Rs.20.00 lakhs per cluster will be provided. Financial assistance will be shared by the Government of India and the Implementing Agency / Beneficiary in the ratio of 75 : 25 respectively. Financial assistance will be released to the Implementing Agency through the State Government concerned.

#### **5.5.2 New Handloom Clusters**

Usually handloom cluster is defined as a place where there is a large concentration of handlooms, producing handloom fabrics that would be in tune with the market demands. These handlooms could be located in close proximity in two adjoining revenue sub-divisions/villages within an administrative district or across two (mostly adjoining) districts. Clusters, having handlooms in the range of 200-500 per cluster and

clusters having handlooms in the range of 2000-5000 could be formed as new clusters under this scheme.

The quantum of assistance for each cluster would be need based, depending on the requirement of the cluster, the scope of the activities envisaged in the cluster development project, technical, financial and managerial capacity of the cluster organization, level of maturity and past track record of the cluster. Maximum permissible Government of India's financial assistance per cluster will be upto Rs. 60 lakhs per cluster having handlooms 200-500 and for clusters having handlooms above 2000-5000, financial assistance per cluster will be upto Rs.150 lakhs per cluster.

Under this component, financial assistance is provided towards conduct of baseline survey, diagnostic study, awareness programme, technology upgradation for on-loom activities such as providing pneumatic jacquard system and motorised jacquard on the existing handloom, providing various accessories for handlooms, product development/diversification, engagement of textile Designer-cum-Marketing Executive, purchase of Computer Aided Textile Design System and Card Punching System, corpus fund for yarn depot, setting up

of Common Facility Centre / Dye House and assistance for construction of workshed.

The Ministry of Textiles, Government of India have accorded approval for nine New Handloom Clusters to Tamil Nadu during the year 2014-2015 under National Handloom Development Programme at the total project cost of Rs.474.76 lakhs and released Rs.120.09 lakhs as first instalment of Central share as detailed below:-

Sl. No	Name of the Clusters & District	Project cost approved by DCH (for four years)	Proposed sharing of the project cost for four years (Rs. in lakhs)			Amount released by GOI as Central share (First year)
			Central	State	IA/Ben.	
1	Ananthapuram (Villupuram)	57.9500	45.1500	10.0000	2.8000	17.3650
2	Korukkathur (Thiruvannamalai)	60.0000	50.6800	8.1200	1.2000	11.9450
3	Kanjampatty (Coimbatore)	60.0000	45.0240	29.3680	5.8380	13.2632
4	Selvarajpet (Salem)	47.8300	39.1090	7.6960	1.0250	10.9025
5	K.V.Kuppam (Vellore)	46.9000	40.8000	4.8000	1.3000	12.5450
6	Savakkattupalayam (Erode)	54.1900	44.2880	8.6180	1.2840	11.3464
7	Gowri (Theni)	58.0000	45.4750	9.0500	3.4750	19.5590
8	Veerasamy Nagar (Coimbatore)	60.0000	47.3460	10.5300	2.1240	12.6104
9	Sri Sowdeswari (Tiruppur)	29.8900	25.3780	3.0080	1.5040	10.5584
<b>TOTAL</b>		<b>474.76</b>	<b>383.25</b>	<b>91.19</b>	<b>20.55</b>	<b>120.0949</b>

The Government of Tamil Nadu will continue to implement the “Handloom Cluster Development Programme” during the year 2015-2016, for which, a provision of Rs.10 crores has been made in the Budget Estimate for the year 2015-2016.

### **5.5.3 New Group Approach Projects**

This component is basically available to those weavers, who are not covered by clusters. These Group Approach Projects will be implemented in a project mode for development of handloom weavers in a contiguous geographical area, which have similar production characteristics. A group should have 10-50 weavers. Duration of implementation of the group approach project is 2 years.

The Ministry of Textiles, Government of India have accorded approval for 15 New Group Approach Projects to Tamil Nadu during the year 2014-2015 under National Handloom Development Programme (NHDP) at the total project cost of Rs.115.730 lakhs and released Rs.52.340 lakhs as first installment of Central Share as detailed below:-

(Rs.in lakhs)

Sl. No	Name of the Clusters & District	Project cost approved by DCH (for four years)	Proposed sharing of the project cost for four years			Amt released by GOI as Central share (First year)
			Central	State	IA/Ben	Central
1	Semmandam palayam (Coimbatore)	8.0000	5.6000	1.6000	0.8000	4.2000
2	Seripalayam (Coimbatore)	9.5500	7.6300	1.2800	0.6400	5.7225
3	Sowdeswari (Salem)	4.5000	3.1500	0.9000	0.4500	2.3625
4	Neickarapatty (Salem)	6.3000	4.4100	1.2600	0.6300	3.3075
5	Gudiyatham Sri Balaji (Vellore)	2.0000	1.4000	0.4000	0.2000	1.0500
6	Podatturpettai (Tiruvallur)	14.0000	9.8000	2.8000	1.4000	5.8535
7	Paramakudi -III (Paramakudi)	10.5000	7.3500	2.1000	1.0500	4.3900
8	Gudiyatham (Vellore)	1.8000	1.2600	0.3600	0.1800	0.7526
9	Millinium Group (Coimbatore)	10.5000	7.3500	2.1000	1.0500	4.3900
10	Ayodyapattanam (Salem)	1.0000	0.7000	0.2000	0.1000	0.4182
11	Kodikadu (Salem)	6.0000	4.2000	1.2000	0.6000	2.5087
12	Veera (Coimbatore)	10.0800	7.0560	2.0160	1.0080	4.2145
13	Phoenix Group (Coimbatore)	10.5000	7.3500	2.1000	1.0500	4.3900
14	Indian Group (Coimbatore)	10.5000	7.3500	2.1000	1.0500	4.3900
15	Udhayam Group (Coimbatore)	10.5000	7.3500	2.1000	1.0500	4.3900
TOTAL		115.7300	81.9560	22.5160	11.2580	52.3400

The Government have made a provision of Rs.100.00 lakhs in the Budget Estimate for the year 2015-2016 for this component.

#### **5.5.4 Marketing Incentive Scheme**

Marketing Incentive is given to facilitate marketing of handloom products. The beneficiary agency is expected to use this amount towards activities that would attract the consumers in order to gear up overall sales of handloom goods. The assistance towards marketing incentive can be availed by State Handloom Corporations, Apex Co-operative Societies, Primary Handloom weavers Co-operative Societies and National Level Handloom Organisations.

Under this scheme, 10% of the average sales turnover of the last 3 years is provided as marketing incentive. The funds are shared between State and Central Governments on 50:50 basis.

Usually the Central share is also released by the State Government first and the Government of India reimburses its share later. During the financial Year 2014-2015, Marketing Incentive amount of Rs.40.86 crores was released as State share to 871 Handloom Weavers Co-operative Societies and Tamilnadu Handloom Weavers Co-operative Society (Co-optex). A Budget provision of Rs.44.90 crores has



been made in the Budget Estimate for the year 2015-2016.

#### **5.5.5 Handloom Marketing Assistance**

Handloom Marketing Assistance is also one among the components of the Comprehensive Handlooms Development Scheme. The objective of the handloom marketing assistance is to develop and promote the marketing channels in domestic as well as export market and bring about linkage between the two in a holistic and integrated manner. The handloom marketing assistance has following sub-components:

- I. Domestic marketing promotion
- II. Marketing infrastructure development
- III. Market access initiative
- IV. Handloom export promotion

National Handloom Exhibitions, Special Handloom Exhibitions and District Level Events are organised under “Domestic marketing promotion” component. The financial assistance provided for conducting these exhibitions are as follows:-

<b>S. No.</b>	<b>Name of the event</b>	<b>Financial Assistance (Rs.in lakhs)</b>
1.	National Handloom Exhibition	20.00
2.	Special Handloom Exhibition	8.00
3.	District Level Event	2.00

During the year 2014-2015, 20 District Level Events and 10 Special Handloom Exhibitions have been conducted with the financial assistance of Government of India and sales to the tune of Rs.17.38 crores was generated.

During the year 2015-2016, 20 District Level Events and 10 Special Handloom Exhibitions are proposed to be conducted.

### **5.6 Integrated Skill Development Scheme**

The Ministry of Textiles, Government of India have launched a scheme called “Integrated Skill Development Scheme” under XII Plan with the primary objective of enhancing the trained manpower to cater to the requirement of industry, to increase the employment potential and supporting Institutions to build capacity for skill development over a period of next five years.

The scheme envisages three components with the financial assistance in 75:25 ratio to be shared between Government of India and State Government.

1. Component-I for Institutions / Textile Research Associations under Ministry of Textiles
2. Component- II for private bodies in PPP mode
3. Component- III for State Government Agencies

As per the project report approved by the Government of India, it is proposed to impart training to 5000 persons during the 12<sup>th</sup> Plan as detailed below:-

<b>Year</b>	<b>No. of trainees approved</b>	<b>Amount sanctioned (Rs. in crores)</b>
2014-15	1640	2.18
2015-16	1680	(tentative) 2.23
2016-17	1680	(tentative) 2.23
<b>TOTAL</b>	<b>5000</b>	<b>6.64</b>

Accordingly, the Ministry of Textiles, Government of India, have sanctioned and released a sum of Rs.1.63 crores as 75% share of Government of India for implementation of Integrated Skill Development Scheme for 1640 trainees during the year 2014-2015.

Government of Tamilnadu have also sanctioned and released a sum of Rs.54.53 lakhs vide G.O.Ms. No. 159, Labour and Employment Department dated 11.12.2014 towards 25% State Share.



**Integrated Skill Development Programme - Design  
Development Training at Sardar Vallabhai Patel International  
Institute of Management, Coimbatore**



**Dyeing Training Given by National Handloom Development Corporation at Kancheepuram**

The details of training programme taken up under Integrated Skill Development Scheme for the year 2014-2015 are as follows:-

<b>S.No</b>	<b>Sector</b>	<b>Number of trainees</b>
1	Handloom Weaving	400
2	Pedal Loom Weaving	300
3	Dyeing	30
4	Design Development	30
5	Salesmanship	130
6	Management	160
7	Spinning	230
8	Powerloom	200
9	Surface Ornamentation	100
10	Quality Checker	30
11	Operator Basic	30
	<b>Total</b>	<b>1640</b>

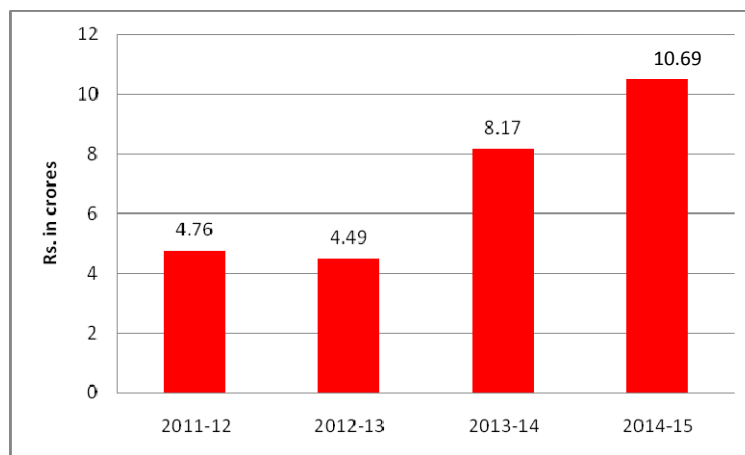
### **5.7 Tamil Nadu Co-operative Handloom Weavers Savings and Security Scheme**

Tamilnadu State is the forerunner to introduce the Co-operative Handloom Weavers' Savings and Security Scheme from the year 1975 for encouraging the savings habit among the weavers and ensure the security of their future. Under this Scheme, a weaver member in the Weavers Co-operative Society contributes 8 paise per rupee of total wages earned by him and the State Government was contributing 4 paise per rupee of wages as its share.

The Government of India had participated in the scheme from the year 1985-1986 to 2006-2007 and contributed 4 paise per rupee from Central Thrift Fund. However, the Government of India discontinued its share of 4 paise per rupee with effect from 01.04.2007. In order to compensate the Central share, the State Government have issued orders raising its share from 4 paise to 8 paise per rupee with effect from 12.07.2012.

The weavers' contribution of 8 paise per rupee and the State Government contribution of 8 paise per rupee are being deposited in the Government account in

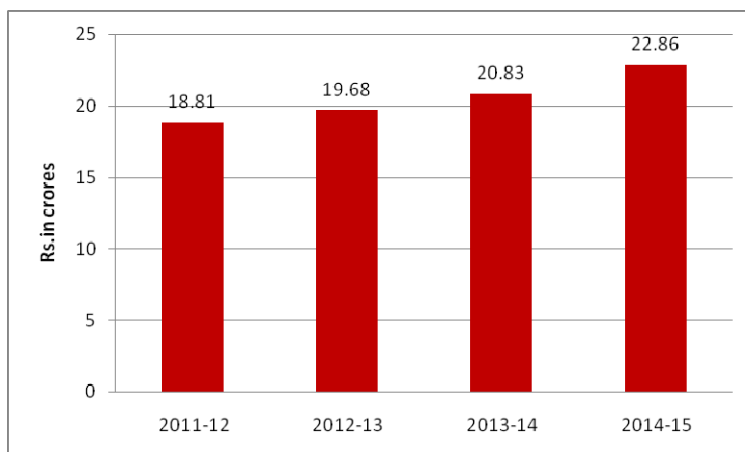
Tamilnadu Co-operative Handloom Weavers Savings and Security Scheme fund. The State Government allows 9.5% interest for the deposits in this account, of which, 6.5% is being deposited in the scheme fund account and credited against the concerned weavers' account and the balance 3% is being utilized for the implementation of welfare schemes namely, Tamil Nadu Co-operative Handloom Weavers' Old Age Pension Scheme and Tamil Nadu Co-operative Handloom Weavers' Family Pension Scheme.



**Savings and Security Scheme**  
**State contribution sanctioned during last four years**

Under the scheme, 71,842 weavers are enrolled as members and 55,447 members have remitted their contribution in the scheme account in the year

2014-2015. The State Government have sanctioned an amount Rs.10.69 crores in the year 2014-2015 towards State contribution against the weavers contribution remitted in the year 2013-2014. The State Government have sanctioned an amount of Rs.22.86 crores towards 9.5% interest on the deposits in the Tamilnadu Co-operative Handloom Weavers Savings and Security Scheme fund account during the year 2014-2015.



**Savings and Security Scheme  
9.5% Interest sanctioned during last four years**

This scheme will be continued during the year 2015-2016, and a provision of Rs.12.00 crores has been made in the Budget Estimate for the year 2015-2016.



### **5.8 Tamil Nadu Co-operative Handloom Weavers Old Age Pension Scheme**

The Government of Tamilnadu is implementing the Old Age Pension Scheme for handloom weavers in the co-operative fold from 01.04.1997. The members enrolled in the Savings and Security Scheme who attain the age of 60 years are eligible to get Old Age Pension. The Government has enhanced the Old Age Pension from Rs.400/- per month to Rs.1.000/- per month with effect from 01.01.2012. The Old Age Pension amount of Rs.200/- is paid out of the 3% interest earned under the Savings and Security Scheme Fund Account and balance Rs.800/- is paid from the Government Account.

During the year 2014-2015, the Government have sanctioned a sum of Rs.31.38 crores towards payment of Old Age Pension for 20456 handloom weavers. This scheme will be continued during the year 2015-2016.

### **5.9 Tamil Nadu Co-operative Handloom Weavers Family Pension Scheme**

Tamilnadu was the first State to introduce the Tamil Nadu Co-operative Handloom Weavers Family Pension scheme with effect from 01.01.1992. In the event of death of a handloom weaver member before

attaining the age of 60 years, family pension of Rs.1,000/- per month is being paid to the nominee of the deceased weavers for a period of 10 years or upto the age of 60 years (if the deceased weaver would have been alive), whichever is beneficial to the weaver's family. The Government has enhanced the family pension from Rs.550/- per month to Rs.1,000/- per month with effect from 01.01.2012. Out of total monthly pension amount of Rs.1,000/-, a sum of Rs.350/- is paid out of the 3% interest accrued under the Co-operative Handloom Weavers Savings and Security Scheme Fund Account and balance Rs.650/- is paid from the Government Account.

Under this scheme 1,486 families of deceased weavers got family pension during 2014-2015 to the tune of Rs.2.37 crores.

A provision of Rs. 2,165.93 lakhs has been made in the Budget Estimate for the year 2015-2016 for implementation of Old Age Pension and Family Pension Scheme.

#### **5.10 Rashtriya Swasthya Bima Yojana for Handloom Weavers (Health Insurance Scheme)**

In order to provide enhanced medical benefits to handloom weavers and to improve their health conditions, health insurance coverage is provided to handloom weavers under Rashtriya Swasthya Bima Yojana (RSBY) with effect from 01.10.2014. Under the new scheme, 5 family members including the enrolled weaver can avail medical benefits upto Rs.37,500/- per weaver family per annum, of which, in patient treatment facilities would be available upto Rs.30,000/- per annum, and out patient treatment facilities would be available upto Rs.7500/- per annum. Bio-metric Smart Cards are issued to all the enrolled beneficiaries and they could avail cashless treatment facilities from any of the empanelled hospitals by using this Smart Card.

The Tamilnadu Handloom Development Corporation (TNHDC) Ltd., is nominated as the State Nodal Agency and United India Insurance Company (UIIC) Ltd. has been approved as insurance service provider towards implementation of this scheme. The annual premium payable to the United India Insurance

Company Ltd. is Rs.179/- per beneficiary family and is shared between Central and State Government in 75:25 ratio. Accordingly, the Central share of premium is Rs.134.25 and State share of premium is Rs.44.75 per beneficiary family per annum. The registration fee of Rs.30/- to be paid by each beneficiary is also paid by the State Government on behalf of the weavers.

During the year 2014-2015, 1,52,776 weavers' families have been enrolled under RSBY for Handloom Weavers and 200 hospitals across the State have been empanelled under the scheme. The beneficiaries are availing medical treatments from these empanelled hospitals.

This scheme will be continued during the year 2015-2016. The State Government have made a provision of Rs.250.00 lakhs in the Budget Estimate for the year 2015-2016 towards implementation of RSBY for Handloom Weavers.

#### **5.11 Rashtriya Swasthya Bima Yojana for Powerloom Weavers / Ancillary workers**

The Government has also decided to extend the health insurance benefits under Rashtriya Swasthya Bima Yojana to powerloom weavers / ancillary workers

for availing medical benefits upto Rs.37,500 per weaver family consist of 5 persons per annum. In the first phase, 33,000 Powerloom Weavers / ancillary workers are being covered under this scheme.

## **5.12 Mahatma Gandhi Bunkar Bima Yojana**

### **5.12.1 Insurance Scheme for Handloom Weavers**

The Insurance Scheme called “Mahatma Gandhi Bunkar Bima Yojana (MGBBY)” is being implemented by the Government of Tamil Nadu from the year 2004-2005 with the assistance from the Government of India in collaboration with Life Insurance Corporation of India. This scheme aims to provide enhanced insurance cover to the handloom weavers in the case of natural as well as accidental death and in cases of total or partial disability. The weavers of both co-operative fold and outside co-operative fold are benefited under the scheme.

The Mahatma Gandhi Bunkar Bima Yojana is renewed every year and the annual premium of Rs.330/- per weaver is paid in the following manner:-

		(Amount in Rupees)
• Government of India contribution	:	150.00
• Government of Tamilnadu contribution on behalf of weavers	:	80.00
• Life Insurance Corporation of India Contribution	:	100.00

The insurance amount payable by Life Insurance Corporation of India to the handloom weavers enrolled under the scheme is as follows:-

Details	Sum Assured (Rs.)
Natural Death	60,000/-
Accidental Death	1,50,000/-
Total Disability due to Accident	1,50,000/-
Partial Disability due to Accident	75,000/-

This apart, Co-optex is also paying a sum of Rs.25,000/- to the family of each deceased weaver under co-operative fold.

During the year 2014-2015, as many as 320 death claims have been settled and insurance amount to the tune of Rs.1.97 crores has been paid to the beneficiaries by Life Insurance Corporation of India.

The policy period under this scheme is from 2<sup>nd</sup> October of every year to 1<sup>st</sup> October of next year. 2,32,937 handloom weavers / ancillary workers have

been enrolled in Tamilnadu under this scheme during the year 2014-2015.

The scheme will be continued in the year 2015-2016 and a budget provision of Rs.2.00 crores has been made in the Budget Estimate for the year 2015-2016 towards the payment of State share of premium on behalf of the weavers.

#### **5.12.2 Scholarship under Shiksha Sahyog Yojana**

Shiksha Sahyog Yojana is one of the components of Mahatma Gandhi Bunkar Bima Yojana (MGBBY). Under this scheme, scholarship is being provided to two children of weavers at the rate of Rs.1200/- per child per annum (Rs.600/- in two instalments) studying in 9<sup>th</sup> standard to 12<sup>th</sup> standard for a maximum period of four years or till they complete 12<sup>th</sup> standard.

During the year 2014-2015, 32,518 students have been benefited under Shiksha Sahyog Yojana and scholarship amount of Rs.1.95 crores have been released to the beneficiaries. The scheme will be continued during 2015-2016.

### **5.13 Free Electricity to Handloom Weavers**

The Government of Tamilnadu continue to implement scheme for supply of free electricity upto 100 units (bi-monthly) for handloom weavers. During the year 2014-2015, the Government have sanctioned Rs.8.33 crores to the Tamilnadu Generation and Distribution Corporation Limited. As on 31.03.2015, 1,33,764 handloom weavers are getting benefit under the scheme.

This scheme will be continued and a provision of Rs.9.85 crores have been provided in the Budget Estimate for the year 2015-2016.

### **5.14 Free Electricity to Powerloom Weavers**

The Government of Tamilnadu also continue to implement scheme for supply of free electricity upto 500 units (bi-monthly) for powerloom weavers. During the year 2014-2015, the Government have sanctioned Rs.269.10 crores to the Tamilnadu Generation and Distribution Corporation Limited. As on 31.03.2015, 1,01,410 powerloom weavers are getting benefits under the scheme.



The present electricity tariff for powerloom weavers from 12.12.2014 are as follows:

Units	Present Tariff (From 12.12.2014)		
	Rate per unit Rs.	Government Subsidy Rs.	Consumption Charges to be paid by the Consumers Rs.
1-500	5.20	5.20	Free
501-1000	5.75	3.45	2.30
1001-1500	5.75	2.30	3.45
1500 and above	5.75	1.15	4.60

This scheme will be continued and a provision of Rs.303.42 crores have been made in the Budget Estimate for the year 2015-2016.

#### **5.15 Awarding Scholarships under Dr. MGR Handloom Weavers Welfare Trust**

With a view to encourage the wards of the weavers to pursue higher studies, Dr.MGR Handloom Weavers Welfare Trust was formed in the year 1986. Every year scholarships are provided to two male and two female student, who have secured first and second highest mark in 33 disciplines, till they complete their course. A total of 132 students (66 male and 66 female) are getting scholarship under this scheme every year.

The details of scholarship given under 33 disciplines are as indicated below:-

Sl. No	Discipline	Educational Qualification	Years	Stipend for Candidate who scored first Highest Mark Rs.	Stipend for Candidate who scored second Highest Mark Rs.
1.	M.B.B.S.	+2	5	7500	5000
2.	B.D.S.	+2	5	7500	5000
3.	B.V.Sc.	+2	5	7500	5000
4.	M.S. (Information Technology)	+2	5	7500	5000
5.	B.E.	+2	4	7500	5000
6.	B. Tech	+2	4	7500	5000
7.	B.Sc., Agriculture/ Horticulture	+2	4	4000	2500
8.	B.Pharm.	+2	4	4000	2500
9.	B.Sc. (Nursing)	+2	4	4000	2500
10.	M.E.	B.E.	2	5000	3500
11.	M.Tech.	B.E./ B.Tech.	2	5000	3500
12.	M.D.	M.B.B.S / /B.D.S.	2	5000	3500
13.	M.S.	M.B.B.S / /B.D.S.	2	5000	3500
14.	M.Com.	Under Graduate	2	5000	3500
15.	M.A.	Under Graduate	2	5000	3500
16.	M.Sc.	Under Graduate	2	5000	3500

17.	M.B.A.	Under Graduate	2	5000	3500
18.	M.C.A.	Under Graduate	2	5000	3500
19.	B.A.	+2	3	4000	2500
20.	B.Sc.	+2	3	4000	2500
21.	B.Com.	+2	3	4000	2500
22.	B.B.A.	+2	3	4000	2500
23.	B.B.M.	+2	3	4000	2500
24.	B.C.A.	+2	3	4000	2500
25.	B.Sc. (Computer Science)	+2	3	4000	2500
26.	Polytechnic	10 <sup>th</sup> Standard	3	4000	2500
27.	I.A.S./I.P.S. Bank Officer Exam	Graduate	1	4000	2500
28.	Hotel Management and Catering Technology	+2	3	4000	2500
29.	Cost Accounting	Graduate	3	4000	2500
30.	Diploma in Handloom Technology	+2	3	4000	2500
31.	Diploma in Physiotherapy	+2	2	4000	2500
32.	+2 Highest Mark	+2	1	4000	2500
33.	10 <sup>th</sup> Highest Mark	10 <sup>th</sup> Standard	1	4000	2500

During the academic year 2014-2015, scholarship amount to the tune of Rs.3.62 lakhs has been disbursed to 83 students. The scheme will be continued during the year 2015-2016.

### 5.16 Stipend to Students of Indian Institute of Handloom Technology

With a view to encourage the wards of handloom weavers, priority is being given to the wards of weavers while selecting candidates to the 3 year Diploma course in Handloom and Textile Technology conducted by the Indian Institute of Handloom Technology, Salem. The Government of Tamilnadu is also providing stipend to the students admitted in the three years diploma course in Handloom and Textile Technology in the Indian Institute of Handloom Technology, Salem as detailed below.

(Amount in Rupees)

Year	Rate of stipend per month	50% of GOI share (per month)	50% of TN Govt. share (per month)
I Year	1000	500	500
II Year	1100	550	550
III Year	1200	600	600

Besides, an additional stipend and contingency amount of Rs.1000/- each per annum is being paid for purchase of books. Further, for the 2<sup>nd</sup> year students,

educational tour allowance of Rs.1000/- per annum and for the 3<sup>rd</sup> year students, assistance of Rs.500/- for project work is also being paid. This financial assistance is provided by the Government of Tamil Nadu from Co-operative Education Fund of Tamil Nadu Co-operative Union.

The students studying in Gadag (Karnataka) and Venkatagiri (Andhra Pradesh) under Tamil Nadu Government quota are also being paid stipend from Co-operative Education Fund of Tamil Nadu Co-operative Union. Under this scheme, stipend of Rs.8.24 lakhs was claimed for 103 students studying in IIHT, Salem, Rs.12,000/-for 3 students studying in Gadag (Karnataka) and Rs.25,250/- for 10 students studying in Venkatagiri (Andhra Pradesh) during the year 2014-2015.

#### **5.17 Award for the Best Exporters**

The Government of Tamilnadu are implementing the prize award scheme for the Best Exporters since 1975, with a view to encourage the handloom exports and to augment the sale of handloom products in the international market,

In order to encourage the production for export performance among the Weavers Co-operative Societies, a sum of Rs.1.00 lakh per annum is provided every year to distribute trophies and certificates to the best exporters and Primary Weavers' Co-operative Societies under this scheme.

For this purpose, a provision of Rs.1.00 lakh has been made in the Budget Estimate for the year 2015-16.

#### **5.18 Award for the Best Innovative Designing**

The Government are implementing prize award scheme for the best weavers who have developed new designs in cotton and silk varieties, so as to encourage introduction of new designs in handloom varieties. The prize for the best designs are as follows:-

First Prize	Rs.5,000/
Second Prize	Rs.3,000/
Third Prize	Rs.2,000/

This scheme is aimed to facilitate generation of new and innovate designs. The expenditure under this scheme is being met from the Research and Development Fund of TamilNadu Co-operative Union. This scheme will be continued during the year 2015-2016.

### **5.19 Tamilnadu Handloom and Handloom Silk Weaving Workers Welfare Board**

Tamil Nadu Manual Workers' Board and 9 other Welfare Boards including Tamil Nadu Handloom and Handloom Silk Weaving Workers' Welfare Board were established in the year 2000-2001. The Tamil Nadu Handloom and Handloom Silk Weaving Workers' Welfare Board was merged with the Manual Workers' Board with effect from 21.07.2004. Subsequently, this board is functioning separately under the control of the Labour Department with effect from 01.09.2006 based on the orders issued by the Government.

The Hon'ble Minister for Handlooms and Textiles is the Chairman of the Board. Seven Government representatives, seven employers' representatives and six workers' representatives were appointed as members of the Board. Financial assistance, educational assistance, Insurance coverage for natural and accidental death and disability are being provided by this Board. The details are as follows:-

<b>Sl. No.</b>	<b>Details</b>	<b>Financial assistance provided per member Rs.</b>
1.	Accident Insurance Scheme	
	i Accidental Death	100000
	ii Accidental Disability (Based on extent of disability)	Upto 1,00,000
	iii Artificial limbs and Wheel chair	
2.	Natural Death Assistance	15000
3.	Funeral Expenses Assistance	2000
4.	Educational Assistance	
	i Girl Children studying 10 <sup>th</sup>	1000
	ii 10 <sup>th</sup> Passed	1000
	iii Girl Children studying 11 <sup>th</sup>	1000
	iv Girl Children studying 12 <sup>th</sup>	1500
	v 12 <sup>th</sup> Passed	1500
	vi Regular degree course	1500
	vii Regular degree course with hostel facility	1750
	viii Regular Post Graduate course	4000
	ix Regular Post Graduate course with hostel facility	5000
	x Professional Degree course	4000
	xi Professional Degree course with hostel facility	6000
	xii Professional P.G. course	6000
	xiii Professional P.G. course with hostel facility	8000
	xiv I.T.I. or polytechnic course	1000
	xv I.T.I. or Polytechnic course	1200



		with hostel facility	
5.	Marriage Assistance		
	(i)	Male	3000
	(ii)	Female	5000
6.	Medical Assistance		
	i)	Maternity Assistance	6000
	ii)	Abortion /	3000
	iii)	Reimbursement of cost of spectacles	Upto 500
7.	Pension		1000 (per month)

At present, 2,68,282 weavers are members in this Board.

So far, financial assistance to the tune of Rs.54.46 crores has been provided for the benefit of 2,40,369 weavers through this Board. During the year 2014-2015, financial assistance to the extent of Rs.8.77 crores has been disbursed to 33,029 beneficiaries.

#### **5.20 Tamilnadu Powerloom Weaving Workers Welfare Board**

The Government of Tamil Nadu have established the "Tamil Nadu Powerloom Weaving Workers' Welfare Board" under Tamil Nadu Manual Workers (Regulation of Employment and Condition of Work) Act 1982, so as to implement various welfare schemes for the powerloom weaving workers. Financial Assistance such as accident insurance benefit, insurance benefit for

natural death, assistance for funeral expenses, educational assistance, marriage assistance, maternity assistance, assistance for purchase of spectacles and pension benefit are being provided to the powerloom weaving workers through this board. 1,42,893 powerloom weaving workers have been enrolled in this board and financial assistance to the tune of Rs.22.53 crores had been disbursed to 1,03,943 beneficiaries upto 31.03.2015.

During the year 2014-2015, 7,264 powerloom weaving workers have been newly enrolled and financial assistance to the tune of Rs.5.66 crores has been disbursed to 23,214 beneficiaries.

#### **5.21 Handlooms (Reservation of Articles for Production) Act, 1985**

The Government of India have enacted the Handlooms (Reservation of Articles for Production) Act, 1985 to protect the handloom weavers and handloom industry from the onslaught of powerlooms and the following 11 varieties have been reserved for exclusive production by handlooms:-

(1) Saree	(2) Dhoty	(3) Towel/Gamcha and Angavastram
(4) Lungi	(5) Chaddar Mekhala/ Phanek	(6) Jamakkalam/Durry or Durreet
(7) Dress Material	(8) Barrack Blanket, Kambal or Kamblies	(9) Shawl, Loi, Muffler, Pankhi etc.
(10) Woollen Tweed	(11) Khes / Bedsheet / Bedcover / Counterpane/ Furnishing (including tapestry, upholstery)	

The Government of Tamil Nadu have been implementing the above Act and a separate Enforcement Wing headed by Deputy Director (Enforcement) with Headquarters at Chennai and Circle level offices at Salem, Tiruchengode, Erode, Tiruppur and Madurai under the Assistant Enforcement Officers have been functioning for effective implementation of the Handlooms (Reservation of Articles for Production) Act, 1985 in Tamilnadu.

To protect the handloom industry, awareness campaigns are being conducted to propagate the Handlooms Reservation Act among the powerloom weavers and workers in the powerloom concentrated areas. Inspections are being carried out continuously in powerloom concentrated areas in order to implement the provision of Handlooms (Reservation of Articles for Production) Act, 1985.

As against the target fixed for inspection of 57252 powerlooms for the year 2014-2015, 60,279 Powerlooms were inspected upto March 2015. Due to the vigorous implementation of the Handlooms (Reservation of Articles of Production) Act, 1985, 77 FIRs have been filed. Out of this, 68 cases have ended in conviction. 129 awareness meetings have been conducted in this regard.

### **5.22 Handloom Weavers Training Centres**

The Government of Tamil Nadu have established a Handloom Weavers Training Centre at Erode at a cost of Rs.25.71 lakhs in order to upgrade the skill of the handloom weavers in weaving, dyeing, designing and embroidery & embellishment work. The Government of Tamil Nadu have also established training centres at another 3 places viz., Kumbakonam, Kancheepuram and Paramakudi.

In these training centres, 2 types of training i.e classroom training and practical training are being imparted to the handloom weavers. In classroom training, subjects such as types of looms, variety of yarn and its quality and weaving techniques are taught. In practical classes, weavers are being trained for weaving

in coarser and finer counts of yarn and weaving by using the upgraded modern jacquard looms. Training is imparted to handloom weavers for switching over to new varieties and thereby to increase their wage earnings. The above major goal of these training centres is to motivate younger generation into weaving profession.

The details about the training centres established by the Government of Tamilnadu and their performance as on 31.03.2015 are as follows:-

Sl. No.	Name of the Training Institute	Date of Starting	Amount sanctioned (Rs. in lakhs)	No. of persons so far Trained
1.	Handloom Weavers Training Centre, Erode	12.03.2010	25.71	1187
2.	Handloom Weavers Training Centre, Kumbakonam	27.03.2013	46.09	742
3.	Handloom Weavers Training Centre, Kancheepuram	30.03.2013	46.09	457
4	Design and Training Centre, Paramakudi	31.03.2013	54.28	1000

### 5.23 Handloom Mark Scheme

In order to create an exclusive identity to the handloom products and to improve its marketing both in domestic as well as international markets, the “Handloom

Mark Scheme” was launched by the Government of India on 28.06.2006.

This scheme helps not only to create uniqueness for handloom products but also to provide assurance to the consumers about the genuineness of the product, thereby strengthen the marketing linkages. This scheme is being implemented by Textile Committee, Ministry of Textiles, Government of India.

In Tamilnadu, Primary Weavers Co-operative Societies, Tamilnadu Handloom Weavers Co-operative Society (Co-optex) and individuals / master weavers / exporters have been registered under Handloom Mark Scheme for using the Handloom Mark Labels. As on 31.03.2015, 8,200 organisations / individuals have been registered under the Handloom Mark Scheme.

#### **5.24 Silk Mark**

The Government of India have introduced and implemented “Silk Mark” from 17.04.2004, in order to promote the sale of silk products in domestic and international market. Silk Mark is an identity label, which is affixed only on pure and natural silk products of Mulberry, Tusser, Eri or Muga silk to ensure its quality. Authorized users can only use this silk mark labels. The

Silk Mark Scheme is being implemented by the Silk Mark Organization of India (SMOI), a society registered under the Karnataka Societies Registrations Act, 1960 and it is sponsored by the Central Silk Board, Ministry of Textiles, Government of India.

Any Individual Firm/Institution, Central and State Government Institutions, Apex and Private Corporate body can become a member of Silk Mark Organization of India (SMOI). The registered members of this organization can only use the Silk Mark Labels in their silk products.

So far 81 Silk Handloom Weavers' Co-operative Societies have registered themselves as authorized users with the Silk Mark Organization.

## **6. COMMON EFFLUENT TREATMENT PLANTS AT TIRUPPUR**

Tiruppur plays an important role in the production of hosiery and knitwear in our Country. Tiruppur is the major hub in the country in export of hosiery products. Tiruppur is reported exports turnover of Rs.20,730 crores during 2014-2015 which is a new record. There are around 740 dyeing units in Tiruppur. In view of the large number of textile units engaged in dyeing, bleaching and

processing activities in Tiruppur, the effluent discharged by these units flow into the rivers Noyal and other water bodies causing serious pollution problem to the quality of land and water.

18 Common Effluent Treatment Plants have been established at a project cost of Rs.742.94 crores by getting bank loan to the tune of Rs.519.46 crores, for treatment of the effluents let out by the bleaching and dyeing units in Tiruppur area. Consequent to the high interest burden on account of the bank loan, the management of Common Effluent Treatment Plants have represented to the Government to reduce their loan burden.



**Common Effluent Treatment Plant, Tiruppur,  
Bio Filtering Section**



With an aim of reducing the loan burden, the Central and State Government had sanctioned a sum of Rs.300 crores as subsidy to the 18 Common Effluent Treatment Plants, of which the Central Government share is Rs.187.50 crores and the State Government share is Rs.112.50 crores. The amount sanctioned as subsidy has been released to banks and adjusted against the outstanding principal loan sanctioned to the 18 Common Effluent Treatment Plants.

The State Government have also sanctioned a sum of Rs.179.34 crores as interest free loan to 18 Common Effluent Treatment Plants for the purchase of additional equipments to achieve Zero Liquid Discharge.



**Common Effluent Treatment Plant, Tiruppur  
Reverse Osmosis Treatment Section**

The details of Subsidy and Interest Free Loan sanctioned to 18 Common Effluent Treatment Plant (CETP) at Tiruppur as on 31.03.2015 are as follows:-

**(Rupees in crores)**

Sl.No	Name of the CETPs	Project Cost	Member Units as per agreement	Effluent Discharge Capacity (MLD)	Banks Loan Outstanding on 31.03.2010	Central & State Share Subsidy			State Government Interest Free Loan
						GOI Subsidy	GoTN Subsidy	Total Subsidy	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Veerapandi	74.86	72	12.00	54.22	20.04	12.02	32.06	19.81
2	Angeripalayam	60.72	77	10.00	40.60	15.42	9.25	24.67	16.25
3	Park	26.69	3	2.00	18.87	6.97	4.18	11.15	3.88
4	Mannarai	28.74	28	4.20	22.40	8.28	4.97	13.25	8.12
5	S.Periapalayam	14.15	7	1.50	10.72	3.94	2.36	6.30	2.92

6	Sirupooluvapatti	53.01	24	5.00	35.30	13.05	7.83	20.88	9.70
7	Karaiyudur	33.00	25	4.50	19.85	7.64	4.59	12.23	8.73
8	Andipalayam	23.00	20	4.50	12.72	5.03	3.02	8.05	8.00
9	Vettuvapalayam	6.90	9	1.50	3.99	1.47	0.88	2.35	2.92
	Noyyal (SPV)	203.85			135.68	50.89	30.54	81.43	0
10	a) Arulpuram		15	5.50	0	0	0	0	10.67
11	b) Kallikadu		12	3.00	0	0	0	0	5.82
12	c) Murugampalayam		67	11.00	0	0	0	0	19.94
13	d) Rayapuram		25	5.50	0	0	0	0	10.67
	Mangalam Eastern (SPV)	90.31			59.75	22.43	13.46	35.89	0
14	a) Mangalam		17	4.00	0	0	0	0	7.76
15	b) Eastern		27	5.80	0	0	0	0	10.00
	Tirupur Industrial (SPV)	127.71			86.26	32.34	19.40	51.74	0
16	a) Chinnakarai		29	8.00	0	0	0	0	15.52
17	b) Kasipalayam		14	4.40	0	0	0	0	7.96
18	c) Kunnankal palayam		19	5.50	0	0	0	0	10.67
	TOTAL	742.94	490	97.90	500.36	187.50	112.50	300.00	179.34

## 7. SCHEME FOR INTEGRATED TEXTILE PARKS

In order to provide the textile industry with worldclass infrastructure facilities at one place, the Government of India have launched “Scheme for Integrated Textile Park (SITP)” in the year 2005 by merging two existing schemes viz., Apparel Park for Export Scheme (APES) & Textile Centre Infrastructure Development Scheme (TCIDS).

The Scheme would create new textile parks of international standards at potential growth centres. The scheme envisages Public Private Partnership with Government of India providing 40% of the project cost, subject to a maximum of Rs.40.00 crores as grant. The Government of Tamil Nadu also provides 9% of the project cost subject to a maximum of Rs.9.00 crores, as grant. Department assists the entrepreneur / promoters in getting various clearances and also providing concession in land registration.

Government of India have approved 9 Textile Parks under Scheme for Integrated Textile Parks for Tamil Nadu.



**A view of Textile Park at Karur District**



**A view of Weaving unit in Textile Park**

The details of Textile Parks sanctioned in Tamilnadu under various schemes are given below:-

Sl. No.	Name of the Project	Year of Sanction	Project Cost (Rs. In Crores)	Central Government subsidy (Rs. In crores)	State Government Subsidy (Rs. In crores)	Direct/Indirect Employment (Number of Persons)
<b>Apparel Park Export Scheme (APES)</b>						
1	Nethaji Apparel Park, Tiruppur	2002	17.62	13.76	50% stamp duty exempted	16000
2	Apparel Park at Irungattu Kottai	2004	26.70	10.68	SIPCOT Land	20000
<b>Textile Centre Infrastructure Development Scheme</b>						
3	TCIDs at Kancheepuram	2004	21.81	19.08	2.73	Infra-structure
4	Windmill Project for TEKIC, Tiruppur	2003	25.00	12.25	Windmill Project	
5	Cauvery Hi-Tech Weaving Park, Kumarapalayam, Namakkal.	2005	20.83	15.93	3.98	3500
<b>Scheme for Integrated Textile Park (SITP)</b>						
6	Hi-Tech Weaving Park at Palladam, Tiruppur Dt.	2006	55.42	22.17	4.98	6000
7	Hi-Tech Weaving Park at Kumarapalayam, Namakkal. Dt.	2006	34.82	13.93	3.13	3000
8	Madurai integrated Textile Park Vadipatti	2007	78.76	31.50	7.08	8500
9	Integrated Textile Park at Karur District	2007	116.10	40.00	9.00	7000

10	GILT Integrated textile Park at Chengapalli, Tiruppur District	2006	149.45	40.00	9.00	12500
11	SIMA Processing Park at Cuddalore	2007	111.60	40.00	9.00	15000
12	Perarignar Anna Handloom Silk Park, Kancheepuram	2010	83.83	33.53	7.54	10000
13	SLS Textile Park Krishnagiri Dt.	2011	126.20	40.00	9.00	7330
14	Pallavada Technical Textile Park, Erode Dt.	2011	115.27	40.00	9.00	5300
<b>Total</b>			<b>983.41</b>	<b>372.83</b>	<b>74.74</b>	<b>114130</b>

## **8. INSTITUTIONS UNDER THE ADMINISTRATIVE CONTROL OF THE DEPARTMENT**

### **8.1 Tamil Nadu Handloom Development Corporation Limited, Chennai**

To provide financial assistance to the weavers outside co-operative fold engaging themselves in manufacturing, trading, marketing of handlooms, powerloom and hosiery cloth, the Tamilnadu Handloom Development Corporation Limited was established in 1964.

The Corporation is having 11,841 members on roll. Due to waiver of loan extended to other sectors, the members are reluctant to settle the dues thereby Corporation is in paucity of working capital. Despite poor

collection of loan and interest, the Corporation manages to extend loans to its members regularly from out of earnings made from its business.

The Corporation has mobilized funds by way of share capital from Government, members and cash credit from State Bank of India as follows:-

**(Rs. in lakhs)**

<b>Share Capital</b>			<b>Cash credit</b>	
a)	Government	267.00	State Bank of India	330.00
b)	Public	162.24		
<b>Total</b>		<b>429.24</b>		

The Corporation is also engaged in implementation of other welfare activities such as Rashtriya Swasthya Bima Yojana (RSBY) a Health Insurance Scheme, Integrated Skill Development Scheme (ISDS) and Cluster Development Programme under Integrated Handloom Development Scheme.

Being the implementing agency for 9 Handloom Cluster Development Programmes sanctioned under Integrated Handloom Development Scheme in the 1<sup>st</sup> phase, the Corporation has completed the entire work of first and second years under this scheme. The 3<sup>rd</sup> installment of grants-in-aid has also been



released to the Corporation and scheme is nearing completion. During the year 2014-2015, the Corporation has issued 105 loans to the tune of Rs.52.13 lakhs. The tentative net profit of the Corporation for the year 2014-2015 is Rs.12.85 lakhs.



**Enrollment of Weavers under  
Rashtriya Swasthya Bima Yojana**

#### **Action plan for the year 2015-2016**

- It is proposed to sanction repeat loans to 210 members to the extent of Rs.175 lakhs and proposed to collect Rs.170 lakhs towards principal and Rs.120 lakhs towards interest.

- The Government have nominated the Tamilnadu Handloom Development Corporation Limited as the State Nodal Agency for implementation of the Rashtriya Swasthya Bima Yojana, a Government Health Insurance Scheme for the benefit of handloom weavers.
- The Government have nominated the Tamil Nadu Handloom Development Corporation Ltd. as Nodal Agency for implementing the Integrated Skill Development Scheme. The Corporation will continue to take up the training programmes during 2015-2016.
- The Government have appointed the Corporation as the implementing agency and the Cluster Management & Technical Agency (CMTA) for implementation of Trichy Mega Handloom Cluster. Ministry of Textiles has approved Draft Project Report and various components of proposal will be taken up during 2015-2016.
- The Corporation has planned to sell Rs.10 crores worth handloom goods to Railways through Association of Corporations and Apex Societies of Handlooms (ACASH).

- It is proposed to sell yarn during the year 2015-2016 at Mill Gate Price through National Handloom Development Corporation to the tune of Rs.185 lakhs.

## **8.2 Co-operative Spinning Mills**

In Tamil Nadu, 18 Co-operative Spinning Mills were set up between 1958 to 1985 with an installed spindle capacity of 4.70 lakhs, with an objective of providing employment to rural people and ensure continuous supply of quality yarn at reasonable rate and to meet the requirement of hank yarn to Handloom Weavers Co-operative Societies.

Owing to various factors, viz, economic stagnation, adverse market condition, rise in price of cotton, obsolete machinery, low production and shortage of working capital, 13 Co-operative Spinning Mills became defunct. Except Ramanathapuram District Co-operative Spinning Mills, the remaining 12 Non-functional Co-operative Spinning Mills are under liquidation process. However, five Co-operative Spinning Mills i.e., Anna Co-operative Spinning Mills, Andipatti, Bharathi Co-operative Spinning Mills, Ettayapuram,

Kanyakumari District Co-operative Spinning Mills, Aralvoymozhi, Pudukottai District Co-operative Spinning Mills, Aranthangi and Krishnagiri District Co-operative Spinning Mills, Uthangarai are continuously functional. After modernization, Ramanathapuram District Co-operative Spinning Mills has started trial production from 04.03.2015.

**Performance of Co-operative Spinning Mills during 2014-2015**

- As announced by the Hon'ble Minister in the year 2013-2014 to encourage the workers in the improvement of productivity and quality of yarn in the Co-operative Spinning Mills, cash prize of Rs.25,000/- and certificate of merit were also given for the year 2014-2015 to the best worker selected from each mill.
- The functional Co-operative Spinning Mills had supplied 1881 metric tonnes of yarn valuing Rs.44.12 crores to the Weavers Co-operative Societies for production of cloth for Cost Free Distribution of Sarees and Dhoties Scheme for Pongal 2015.

- The functional Co-operative Spinning Mills had supplied 2125.47 metric tonnes of yarn valuing Rs.53.38 crores to the Weavers Co-operative Societies for production of cloth for Uniform Scheme for the year 2014-2015.
- The functional Co-operative Spinning Mills are now actively engaged in the production and supply of 2100 metric tonnes of yarn valuing about Rs.50.00 crores to the Weavers Co-operative Societies for production of cloth for Uniform Scheme for the year 2015-2016. The Ramanathapuram District Co-operative Spinning Mills is also entrusted with production plan under this Scheme.
- All the functional Co-operative Spinning Mills are successfully engaged in yarn production throughout the year for cloth production under various Government Schemes.

### **8.3 Tamil Nadu Textile Corporation Limited, Coimbatore.**

In order to provide employment to the workers of the closed textile units and to provide rehabilitation measures to the textile Industry, the Tamilnadu Textile Corporation Ltd was incorporated on 24.04.1969 as a

wholly owned Government Company under the Companies Act, 1956.

The Corporation has 2 Powerloom Complexes with a capacity of 96 looms each at Aruppukottai (Virudhunagar District) and Sivagiri (Erode District), Besides, there is a loom shed at Kurichi, Coimbatore with a capacity of 36 plain looms.



**Powerloom Shed at  
Tamilnadu Textile Corporation Limited at Coimbatore**

The Corporation produces polyester suiting and shirting varieties in the above Powerloom Sheds and supplies the cloth to various Government Institutions.

Further, the Corporation undertakes production of shirting cloth, suiting, casement and drill cloth under Government Free School Uniform Scheme.

The Corporation had handled uniform cloth for Government scheme under Noon Meal Programme Scheme (Academic Year 2014-2015). The total quantity of uniform cloth handled by the Corporation during 2014-2015 is as follows:-

<b>Year</b>	<b>Quantity (in lakhs mts)</b>	<b>Value (Rs. In lakhs)</b>
2014-2015	377.13	20724.03

The Corporation has received orders under Cost Free Distribution of Sarees and Dhoties Scheme for the year 2014-2015 and the progress is as follows:-

<b>Year</b>	<b>Quantity ( in lakhs unit)</b>	<b>Sales (Rs. In lakhs)</b>
2014-2015	1.31	133.52

The Corporation has got orders for supply of Polyester uniform cloth to the State Transport Corporation, Tamil Nadu Electricity Board, Co-operative Sugar Mills, Tamil Nadu Cements, Municipal Corporations and other Public Sector Undertakings. The details of supply effected are given below:

<b>Year</b>	<b>Quantity (in lakhs mts)</b>	<b>Sales (Rs. In lakhs)</b>
2014-2015	6.73	458.12

The tentative financial performance of the Corporation for the year 2014-2015 is furnished below:-

<b>Year</b>	<b>Total Production (in lakh mtrs)</b>	<b>Value (Rs. In lakhs)</b>	<b>Total Sales (in lakh mtrs)</b>	<b>Value (Rs. In lakhs)</b>	<b>Net profit (Rs. In lakhs)</b>
2014-2015	16.49	659.88	26.90	1202.92	198.47

### **Action plan for 2015-2016**

The Corporation proposes to produce 38.57 lakh metres of uniform cloth for supply to Government schemes and also to meet the cloth requirements of Government Institutions for the value of Rs.1,397.44 lakhs.

Further, it is proposed to handle 115.56 lakh metres of uniform cloth manufactured through Powerloom Weavers Co-operative Societies for the supply intended for Government schemes during the year 2015-2016.



#### **8.4 Tamil Nadu Zari Limited, Kancheepuram.**

In order to manufacture zari required for the silk fabrics, Tamil Nadu Zari Limited was started in the year 1974. The Company is an ISO 9001:2008 certified State Public Sector Undertaking. It is engaged in the manufacture of zari gold lace for supply to Silk Handloom Weavers Co-operative Societies at reasonable rates. The Tamil Nadu Zari Limited is also undertaking the quality checking of zari received from other sources. The company also undertakes testing the quality of zari and zari made fabric by non-destructive testing method through X-Ray Fluorescence Analyzers (NDT) installed at the testing centers in Kancheepuram.

There are 6 employees and 86 workers working in this company.



**Tamilnadu Zari Factory**

The Tamil Nadu Zari Limited is procuring the required raw material i.e. silver thread for production of zari. Tamil Nadu Zari Limited has paid Rs.123.14 lakhs as dividend to the Government.

The Government of Tamilnadu has approved enhancement of salary to the workers at Rs.1,600/- per month during 2014-2015.

During the year 2014-2015, Tamil Nadu Zari Limited has produced 28,276 marcs of zari and sold 26,745 marcs to the value of Rs.27.04 crores and earned a tentative net profit of Rs.15 lakhs.

#### **Action plan 2015-2016**

- 1) Tamil Nadu Zari Limited has planned to produce and sell 2,500 marcs per month during 2015-2016.
- 2) It is planned to set up the solar energy project mainly to utilize at the electroplating process of the unit.

#### **8.5 Tamil Nadu Co-operative Textile Processing Mills Limited, Erode**

In order to undertake various processing activities such as bleaching, dyeing, mercerizing, printing and finishing for woven fabrics, the Tamil Nadu Co-operative Textile Processing Mills was set up in the year 1973. The

Mill is an ISO 9001-2008 certified institution. The Mill has the capacity to process about 21 lakh metres of cloth per month, apart from processing of cloth for uniform schemes of the Government of Tamil Nadu. The Mill also undertakes the processing and supply of cloth to Tamil Nadu Khadi and Village Industries Board, Powerloom Weavers Co-operatives Societies, Handloom Weavers Co-operatives Societies, Khadi Sarvodaya Sanghs, Central Prison at Coimbatore, State Handloom Development Corporation of Kerala and Karnataka for processing and printing of fabrics.

The Mill is adopting the Zero Liquid Discharge system by treating the effluents and recycling water for processing by Reverse Osmosis and Reject Management System.

The performance of the mill for the year 2013-2014 and 2014-2015 are as follows:-

S. No.	Subject	(Meter/Kilogram in lakhs, Value Rupees in lakhs)			
		2013-2014		2014-2015	
		Units	Value	Units	Value
1	Bleaching	18.60Kgs.	149.69	17.08 Kgs.	146.62
2	Dyeing	18.16 Kgs.	2259.28	16.15 Kgs.	2318.14
3	Printing	0.27 Mtrs.	19.52	0.35 Mtrs.	34.33
4	Polyester Cloth Processing	136.10Mtrs.	2375.41	124.05 Mtrs.	2408.48
5	Cotton cloth Processing	3.42 Mtrs.	53.08	4.70 Mtrs.	90.61
6	Total Turnover		2428.49		2499.09
7	Net Profit		(+) 124.39		(+) 160.67 (Tentative)

During the year 2014-2015, the Mill processed 128.75 lakh metres of cloth and has made turn over of Rs.24.99 crores and earned a tentative net profit of Rs.160.67 lakhs.

#### **8.6 Tamil Nadu Co-operative Spinning Mills Federation Limited (TANSPIN), Chennai**

Tamil Nadu Co-operative Spinning Mills Federation Ltd., (TANSPIN) was established in December 1994, in order to regulate the purchase of cotton in Co-operative Spinning Mills. The primary

objective of this Federation was to ensure supply of quality cotton at reasonable price to Co-operative Spinning Mills by procuring cotton from various Co-operative Institutions, Federations and Cotton Corporation of India. To accomplish this, State Government had sanctioned a share capital assistance of Rs.25 crores and Cotton Revolving Fund of Rs.2.07 crores.

During the year 2011-2012, TANSPIN provided a sum of Rs.1.50 crores to five functional Co-operative Spinning Mills as advance through Co-optex for purchase of cotton. A sum of Rs.65 lakhs has been given as advance directly to the Co-operative Spinning Mills for purchase of cotton. TANSPIN has extended loan assistance of Rs.25.00 lakhs to Krishnagiri Co-operative Spinning Mills for purchase of cotton. It has collected service charges of Rs.72.38 lakhs and earned a net profit of Rs.41.55 lakhs for the year 2014-2015.

#### **8.7 Tamil Nadu Handloom Weavers Co-operative Society Limited (Co-optex)**

Tamil Nadu Handloom Weavers' Co-operative Society Limited, the foremost and biggest apex handloom weavers' co-operative society in the country is

completing 80 years of unstinted service for the handloom weavers in the State. The Tamil Nadu Handloom Weaver's Co-operative Society Limited, popularly known as Co-optex was registered as a State Level Co-operative Organization in the year 1935.

### **8.7.1 Organization**

Co-optex is marketing handloom products through its 200 showrooms spread all over the country. Out of these, 133 are in Tamilnadu and 67 are outside the State.

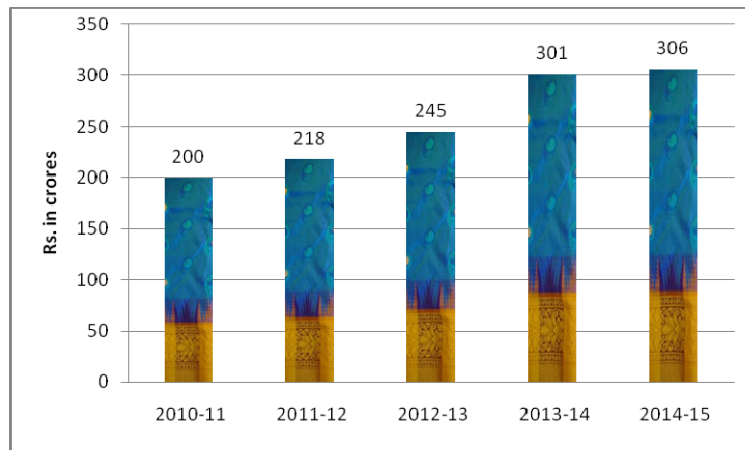
Co-optex is also designated as one of the nodal agencies for Cost Free Distribution of Sarees and Dhothies Scheme for Old Age Pensioners (OAP) and Cost Free Supply of School Uniform Scheme to School Students. Co-optex is also implementing few cluster projects funded by Government of India and State Government. Major Objectives of Co-optex are as given below:-

- 1) To extend marketing support to weavers co-operative societies.
- 2) To promote production of handloom products in co-operative sector.

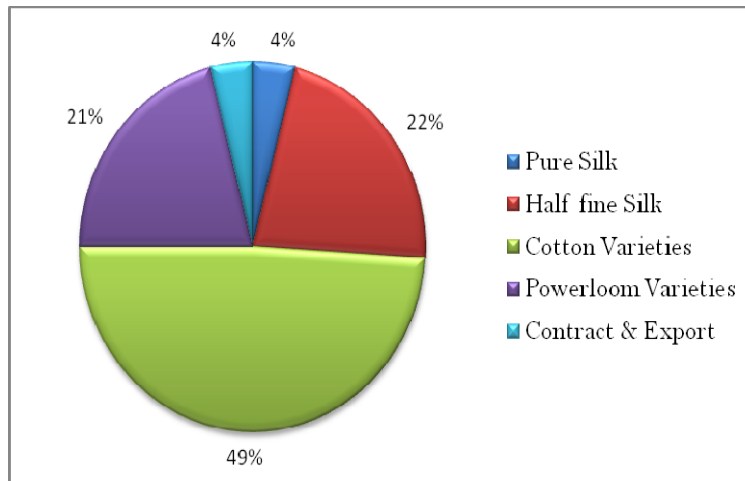
- 3) To create continuous employment opportunities for weavers in the State.

### 8.7.2 Performance during 2014-2015

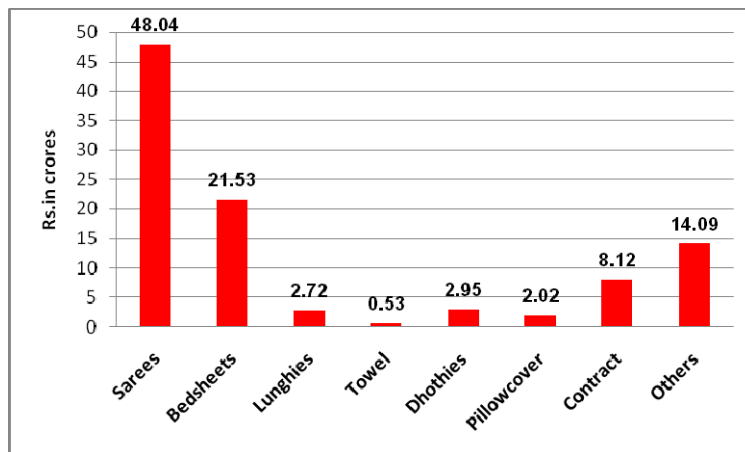
During the year 2014-2015, Handloom and Powerloom goods worth Rs.306.57 crores were sold. This sale was higher by Rs. 4.59 crores than the same period of previous year. Increase in sales was achieved due to many initiatives like modernization of 6 showrooms, conducting Campus sales in large institutions, introduction of new design collection and products like silk shirts, kurties and reasonably priced polyester cotton (Jayakarthiga sarees).



**Retail Sales**



**Variety wise Sale for the year 2014-2015**



**Product wise Sales during the year 2014-2015**



### 8.7.3 Implementation of Government Schemes

#### 8.7.3.1 Cost Free Distribution of Sarees and Dhoties to Old Age Pensioners

Co-optex is the nodal agency for supply of cost free sarees and dhoties to Old Age Pensioners. During Deepavali 2014 and Pongal 2015, Co-optex has supplied 40.65 lakhs sarees and 15.64 lakhs dhoties to Old Age Pensioners. The total Value of supply was around Rs.101.29 crores.

#### 8.7.3.2 Supply of Uniform Cloth

Co-optex is designated as one of the agencies to supply cost free uniform cloth to school students for the Scheme year 2013-2014 (academic year 2014-2015) and the quantity supplied is as follows:-

Sl. No	Variety	Quantity supplied (in lakh metres)
1	Maroon Drill	36.09
2	Maroon Casement	86.01
3	Maroon Shirting	1.36
4	Light Brown Shirting	1.62
5	Light Brown Duppatta	75.84
<b>Total</b>		<b>200.92</b>

Total value of the supply of uniform cloth was around Rs.100.29 crores.

## **8.7.4 Sales Promotion Initiatives taken during 2014-2015**

### **8.7.4.1 Opening of 5 Testing Labs**

In addition to the opening of textile testing lab at Co-optex head office, 5 more testing laboratories have been established at major handloom production centers, viz. Salem, Coimbatore, Chennimalai (Erode), Madurai and Kancheepuram. Products produced by the member societies are tested at these laboratories with regard to their quality.



**Kancheepuram Testing Lab**

### **8.7.4.2 e-Shopping**

Co-optex launched e-shopping portal ***www.cooptex.com*** on 15.12.2014 to enable the customers to purchase the products through online.

Initially silk and cotton sarees were offered in the e-shopping portal. As the customers' support was found encouraging, Co-optex has increased its product range in the e-shopping portal and is now offering silk shirts, cotton shirts, chudidar materials, cotton dhothies, silk dhothies, bed spreads and cotton printed sarees. With the increase in the range and the number of products, Co-optex will be able to achieve greater sales in future and enhance its sales turnover. **46** orders worth **Rs.5,12,578** have been transacted through e-Shopping portal upto 31.03.2015.

#### **8.7.4.3 Introduction of Gift Vouchers**

Co-optex has introduced gift voucher as another innovative scheme during the year 2014-2015. Under this scheme, the customers can pay cash in any of the showrooms and get a gift voucher. These gift vouchers may be gifted to the near and dear ones, who in turn can purchase handloom products from the selected Co-optex showrooms. By this way, buyer of gift voucher not only extends social customs but also helps the handloom weavers of Tamilnadu.

As on 31.03.2015, Rs.10,63,000/- worth gift vouchers have been sold. Gift vouchers are available in the range of Rs.500 to Rs.2000.



#### **8.7.4.4 New Products**

Co-optex introduced various new products during 2014-2015 notable among them are Kurties, Silk shirts for men, Jayakarhika sarees and Organic cotton sarees.



**Organic Saree**

Cotton sarees are produced by using organic cotton dyed with natural colours. Organic cotton is grown on the land without using any chemicals such as

pesticides and fertilizers for a minimum period of 3 years. The organic cotton cultivated in such lands is dyed with natural colours which are chemical free and extracted from plant dyes such as:-

1. Catechu or Cutch Tree (Brown).
2. Indigofera Plant (Indigo)
3. Kamala Tree (Red)
4. Madder Root (Red, Pink, Orange)
5. Pomegranate Peel (Yellow)

The response received from the customers is overwhelming and encouraging.

#### **8.7.4.5 Introduction of new designs**

During the year 2014-2015, about 1,110 new designs in several colour patterns against a target of 1000 have been developed and introduced in the market through Co-optex showrooms. The new collections are as below:-

1. Wedding silk sarees
2. Sangeeth sarees
3. Geometric design collection silk sarees
4. Jayakarthika saree collection
5. Kolam collection
6. Maharani silk sarees



#### **Maharani Silk Saree**

Co-optex has sourced the designs as old as 200 years, depicting the sarees worn by the Queens of the royal families and incorporating the same without losing aesthesis and richness in intricacy in the development of Maharani design sarees by visiting Pudukkottai, Sivagangai, Ramanathapuram Samshanams, Thavalankottai dynasty and Mysore Samshanam. The Maharani sarees have been developed by incorporating such sourced designs aiming for the revival and reflection of age old tradition. The new design collections has evoked great interest among large chunk of young customers.

#### **8.7.4.6 Thanga Mazhai Thittam**

To promote cash sale during festival seasons covering Deepavali, Christmas and Pongal, Co-optex has continued the scheme “**Thanga Mazhai Thittam**” to its customers who are purchasing on cash basis. The number of prizes have been increased to 110 first prizes of 4 gms gold and 330 consolation prizes of 2 gms gold and will be awarded to the winners and distributed in all 11 Regions.

#### **8.7.4.7 Kanavu Nanavu Thittam**

Co-optex offers a popular monthly saving scheme named as “**Kanavu Nanavu Thittam**”. During the year 2014-2015, around 36000 customers have been enrolled under this scheme and Co-optex has collected Rs 125.00 lakhs as first installment. A sale of Rs.20.28 crores is effected during the year 2014-2015.

#### **8.7.4.8 Buy 2 Get 1 Free scheme**

During 2011-2012 another innovation scheme **Buy 2 Get 1 Free scheme** was launched. The scheme, due to encouraging response, is continued thereafter. During 2013-2014 a record retail sale of Rs.36.54 crores was

achieved. Co-optex has continued this scheme during 2014-2015 also from 23.02.2015 to 31.03.2015 and effected sale of Rs.29.40 crores.

#### **8.7.4.9 Conducting of Campus Sales in big Institutions**

As a marketing strategy to reach the customers at their door steps, Co-optex has conducted campus sales in major educational institutions, universities, departments, NGOs and companies. During the year 2014-2015, Co-optex conducted campus sales at Ramachandra Medical College, IIM Ahmedabad, VIT Vellore, Annamalai Univeristy, L&T, Apollo Hospital, Dr. M.S. Swaminathan Research Institute, Kalakshetra, and Indian Institute of Science (**IISc**), Bangalore.

#### **8.7.4.10 Showrooms modernized during the year 2014-2015**

During the year 2014-2015 the following showrooms have been modernized:-

- 1) Mullai Showroom, Cuddalore
- 2) Puducherry Showroom
- 3) Balamurugan Showroom, Coimbatore
- 4) Thuckalay Showroom, Kanyakumari
- 5) Palayamkottai Showroom, Tirunelveli



6) Kanthimathi Showroom, Tirunelveli

7) Calicut Showroom, Calicut



**Mullai Showroom, Cuddalore**



**Calicut Showroom, Calicut**

#### **8.7.4.11 New showrooms opened during the year 2014-2015**

During the year 2014-2015, new Co-optex showrooms have been opened in the following places:-

- 1) Ulsoor – Bangalore Region
- 2) Mulund-Mumbai Region
- 3) Kottayam-Kerala – Coimbatore Region.



**Mulund Showroom – Mumbai Region**

#### **8.7.4.12 Training to Marketing Staff**

To improve the customer reception, better communication and improved display, 130 sales staff have been given refreshers training at Anna Institute of

Management, Chennai during the month of February and March, 2015.

This is expected to result in better customer satisfaction and increased sales.

#### **8.7.4.13 Computerization**

Co-optex is in the process of implementation of the computerization at all levels of Co-optex right from Design selection upto delivering the product to customer through a project named “**Infotex**”. The project management committee has been formed and the selection process for System Integrator is going on.

#### **8.7.5 Export Award of Government of Tamil Nadu**

Co-optex International is exporting 100% cotton hand-woven home textile ranges like bedspreads, table cloths, kitchen towels, napkins, placemats, runners, aprons, oven gloves, pot holders, pillow covers and shopping bags to Belgium, France, Germany, Italy, Spain, Switzerland and U.K.

The Best Handloom Exporter award amongst the Handloom Co-operative Societies has been awarded to Co-optex for the year 2013-2014 by the Government of Tamil Nadu.

Co-optex International has participated in the Heim Textile Fair at Frankfurt, Germany from 14<sup>th</sup> - 17<sup>th</sup> January 2015 to show case its products to attract new buyers.

#### **8.7.6 Cluster Development Programme (Centrally Sponsored Scheme)**

**8.7.6.1** The Department of Handloom & Textiles allotted 10 **mini** and 4 **silk mini clusters** for implementation to Co-optex. The activities of these mini clusters are in various stages of completion.

**8.7.6.2** The Government of India have sanctioned **two Major Clusters** for implementation by Co-optex under Integrated Handloom Cluster Development Scheme (IHCDS) each one at Kurinjipadi and Thiruvannamalai at a total cost of Rs.2.00 crore during the year 2006-2007. The implementation of various components in these two clusters have been completed.

### 8.7.6.3 Virudhunagar Mega Handloom Cluster (VMHC)

The Government of India have sanctioned the Scheme of Virudhunagar Mega Handloom Cluster under Comprehensive Handloom Cluster Development Scheme (CHCDS) during the year 2009-2010, at a total financial out lay of Rs.87.68 crores. Out of this, Central assistance is Rs.70.00 crores and the balance amount is shared by the State Government and the beneficiaries.

This project is being implemented over a period of 5 years. The details are as follows:-

(Rs in lakhs)

Sl. No	Facilities to be provided	Government of India Share	State Govt. / Beneficiary Share	Total Cost
1	Technological Upgradation	3,998.19	803.55	4,801.74
2	Common Facility Centers	1,054.86	361.22	1,416.08
3	Dye House with ETP facilities	714.04	380.96	1,095.00
4	Marketing/Training/ Designing facilities	1,189.14	222.45	1,411.59
5	Fee to CMTA (Co-optex)	43.62	-	43.62
Total		6,999.85	1,768.18	8,768.02

The prime object of the project is to improve the skill of the handloom weavers and the quality of the handloom products by creating necessary infrastructure facilities so as to increase the wage earning capacity and reduce drudgery of the handloom weavers. Around 30,000 handloom weavers in the sub clusters of Aruppukottai, Srivilliputthur, Sundarapandiam, Rajapalayam, Paramakudi, Emaneswaram, Karaikudi, Sellur, Nilaiyur, Sankarankoil, Veeravanallur, Kadaiyanallur, Ettayapuram and Sawyerpuram in 6 districts are benefitted under this project, over a period of 5 years.

<b>Sl.No.</b>	<b>District</b>	<b>No. of Weavers</b>
1	Virudhunagar	9,133
2	Madurai	9,642
3	Ramanathapuram	4,839
4	Tirunelveli	3,855
5	Tuticorin	903
6	Sivagangai	678
<b>Total</b>		<b>29,050</b>

The Scheme covers the following major components:

- a. Technology Upgradation
- b. Provision of Dye house with ETP facilities
- c. Provision of Marketing/Training/Designing facilities

The Government of India have appointed Tamilnadu Handloom Weavers Co-operative Society Limited (Co-optex) as the implementing agency for the technological up-gradation component and sanctioned Rs.4801.74 lakhs. (Government of India - Rs.3,998.19 lakh and Promoters / State Govt. / Society Rs.803.55 lakhs) under this component. So far, the following funds are released to Co-optex:-

(Rs. In lakhs)

<b>Phase</b>	<b>Government of India</b>	<b>State</b>	<b>Total</b>
1 <sup>st</sup> phase	599.72	73.22	672.94
2 <sup>nd</sup> phase	999.54	123.70	1,123.24
3 <sup>rd</sup> phase	1,199.46	111.25	1,310.71
Total	2,798.72	308.17	3,106.89

With the above financial assistance, the following equipments / accessories have been procured and distributed to the handloom weavers as on 31.03.2015.

Sl. No	Components	Total	
		Ordered	Distributed
1.	Pedal Looms	6,876	4,438
2.	Electric Pirn Winding Machines	8,925	5,325
3.	120 Hk Jacquard	6,866	5,164
4.	Dobby Boxes	139	70
5.	Motorized Jacquard Lifting Machines	82	52
6.	Healds and Reeds	9,431	6,945
7.	Battery linked Inverter Lighting System	11,410	10,716

The 3<sup>rd</sup> phase is under implementation. The supply of looms and accessories has increased the productivity and wage earning capacity of the weavers. For creation of required infrastructural facilities in Virudhunagar Mega Handloom Cluster, the following Government Agencies have been identified.

Sl. No	Facility to be created	Name of the Government Agency
1	Setting up of Common Facility Centers	The Tamilnadu Handloom Development Corporation Ltd.,
2	Setting up of Dye-house with ETP	The Tamilnadu Co-operative Textile Processing Mill Ltd., Erode
3	Setting up of Marketing Complex / Training Centre / Designing Centers	The Tamilnadu Handloom Weavers Co-operative Society Ltd., (Co-optex)



### 8.7.7 Sales Target 2015-2016

Co-optex aims to achieve a target of sales Rs.350 crores during 2015-2016 by developing new designs, introducing new products, modernizing the showrooms and by canvassing more orders from the Government Departments.

### 9. BUDGET PROVISION FOR THE YEAR 2015-2016

The State Government has made allocation of Rs.1096.3383 crores in the Budget Estimate for the year 2015-2016 for the Department of Handlooms and Textiles as detailed below:-

<b>Sl. No.</b>	<b>Name of the Scheme</b>	<b>Budget Estimate 2015-2016 (Rs. In lakh)</b>
1	Free Distribution of Dhoties and Sarees Scheme	49916.00
2	Free Electricity to Handloom Weavers	985.00
3	Free Electricity to Powerloom Weavers	30342.00
4	Payment of Interest Subsidy Scheme	1050.00

<b>Sl. No.</b>	<b>Name of the Scheme</b>	<b>Budget Estimate 2015-2016 (Rs. In lakh)</b>
5	Rebate on Sale of Handloom Cloth	7845.50
6	Payment of Premium for Tamil Nadu Co-operative Handloom Weavers under Bunkar Bima Yojana Scheme	200.00
7	The Co-operative Handloom Weavers Savings and Security Scheme (8% State contribution)	1200.00
8	Health Insurance Scheme for Handloom Weavers	250.00
9	Old Age Pension and Family Pension Scheme	2165.93
10	Cluster Development Programme under Comprehensive Handlooms Development Scheme	1000.00
11	Group Approach Project under Comprehensive Handlooms Development Scheme	100.00
12	Marketing Incentive under Comprehensive Handlooms Development Scheme	4490.25

<b>Sl. No.</b>	<b>Name of the Scheme</b>	<b>Budget Estimate 2015-2016 (Rs. In lakh)</b>
13	Loans to Common Effluent Treatment Plants for Zero Liquid Discharge System at Tiruppur	3000.00
14	Loans to Co-operative Spinning Mills	2584.31
15	Ways and Means Advances to Co-operative Spinning Mills for payment to Tamil Nadu Ex-servicemen Corporation Ltd.	80.00
16	Supply of Pedal Looms to Handloom Weavers	1310.50
17	Prize Award to Best Weaver	1.00
18	Purchase of Electronic Jacquard operated through Pneumatic Drive System for Handlooms – State Innovation Fund	120.00
19	Supply of Pneumatic Handloom for Handloom Weavers - State Innovation Fund	45.00
20	Installation of Tub Dyeing Units with 6 Arms Dyeing Machines – State Innovation Fund	30.00

<b>Sl. No.</b>	<b>Name of the Scheme</b>	<b>Budget Estimate 2015-2016 (Rs. In lakh)</b>
21	Purchase of Washing-cum-Rinsing Machine for Silk Dyeing Units – State Innovation Fund	3.00
22	Repositioning Co-optex as a premium brand through the launch of Niche Boutique – State Innovation Fund	120.00
23	Assistance to Textile Parks	28.20
24	Rent subsidy for Powerloom Service Centre at Erode	3.12
25	Salaries and Administrative Expenses	2599.44
26	Salaries and Administrative Expenses for Enforcement Wing	164.38
27	Other items	0.20
<b>TOTAL</b>		<b>109633.83</b>

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