



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

**HANDLOOMS AND TEXTILES**

**POLICY NOTE**

**2014 – 2015**

**DEMAND No. 17**

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MINISTER FOR HANDLOOMS AND  
TEXTILES**

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Government of Tamil Nadu  
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## POLICY NOTE 2014 – 2015

### HANDLOOMS AND TEXTILES

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## **HANDLOOMS AND TEXTILES**

### **1. Introduction**

The Indian textiles industry is extremely varied, with the hand-spun and hand woven sector at one end of the spectrum and the capital intensive, sophisticated mill sector at the other end. The decentralised powerlooms / hosiery and knitting sector form the largest section of the textiles sector. The close linkage of the industry to Agriculture and the ancient culture and traditions of the country make the Indian textiles sector unique in comparison with the textiles industry of other countries. This also provides the industry with the capacity to produce a variety of products suitable to the different market segments, both within and outside the country.

The textile industry is the largest industry in India. It is the single largest employer in the industrial sector employing about 45 million people. The textile industry accounts for 14% of industrial production, which is 4% of GDP and accounts for

nearly 11% share of the country's total export basket.

The major sub-sectors that comprise the textiles sector include the organised cotton/man-made fibre textiles mill industry, the man-made fibre-filament yarn industry, wool & woollen textiles industry, the sericulture and silk textiles industry, handlooms, handicrafts, jute textiles industry and textiles exports.

The textile industry occupies a place of unique importance in the economy of Tamilnadu by virtue of significant share in industrial production employing largest work force and caters not only to the clothing needs of the people, but also accounts for a lion's share in the country's exports. Tamilnadu is the only State which has complete textile value chain accounting for almost 1/3<sup>rd</sup> of the textile industry, 47% of the spinning capacity, 20% of the powerlooms capacity and employing over 50 lakhs people.

## **2. Overview of sub-sectors of the Textile Industry**

### **2.1 Handloom Sector**

The origin of the art of weaving in India is shrouded in the mists of antiquity. Fragments of woven cotton, bone needles and spindles have been discovered at Mohen-jo-daro and Harappa, the ancient seats of the Indus Valley Civilization. Even the Rigveda and the epics of the Mahabharata and the Ramayana dwell upon the craft of weaving at length. A hoard of block-printed and resist-dyed fabric, found in the tombs of Fostat, Egypt are the proof of large scale export of Indian cotton textiles in medieval times.

The above facts are testimony to the threads of handloom that has its roots in prehistoric times. With a long tradition of excellence in its craftsmanship, Indian handloom is said to have dated back to the ancient ages.

The Handloom Sector is one of the largest unorganised economic activities after Agriculture

and constitutes an integral part of the rural and semi rural livelihood. Handloom weaving constitutes one of the richest and most vibrant aspects of the Indian cultural heritage. The 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. It is a natural productive asset and tradition at cottage level, which has sustained and grown by transfer of skill from one generation to other.

Handloom weaving is largely decentralized and the weavers are mainly from the vulnerable and weaker sections of the society, who weave for their household needs and also contribute to the production in the textile sector. The weavers of this industry are keeping alive the traditional craft of different States. The level of artistry and intricacy achieved in the handloom fabrics is unparalleled and certain weaves/designs are still beyond the scope of modern machines. Handloom sector can meet every need ranging from the exquisite fabrics, which takes



**Handloom Weaving**

months to weave, to popular items of mass production for daily use.

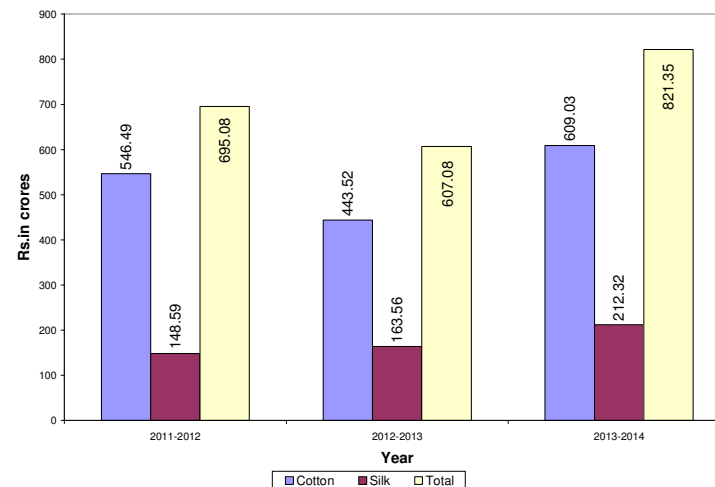
The handloom sector has a unique place in the Indian economy and plays a vital role in terms of providing employment, cloth production and value addition while at the same time preserves India's rich cultural heritage. As per handloom census of India 2009-2010, nearly 27.83 lakhs handloom households are engaged in weaving and allied activities. The sector is providing direct and indirect employment to more than 43 lakh weavers and allied workers in the country. The sector accounts for approximately 11% of textile production and makes a significant contribution to export earnings.

The Handloom Industry in Tamilnadu, with its long tradition of excellence in craftsmanship, occupies a place of eminence in preserving the State's heritage and plays an important role in the economy of the State. Tamilnadu has the pride for its unique Handloom woven products like silk sarees, cotton sarees, furnishing materials, dhoties, lungies and towels. As per the latest census, there are 1.89

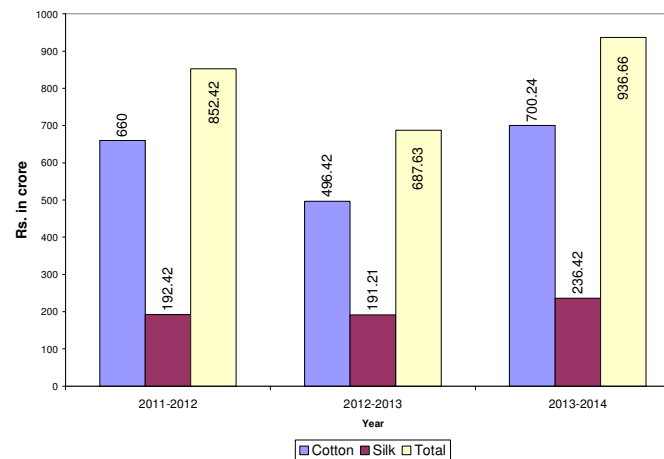
lakhs weavers households in Tamilnadu and the sector provides employment to 3.19 lakh weavers and allied workers.

There are **1161 Handloom Weavers Co-operative Societies** functioning in Tamilnadu. During the year 2013-2014, the Weavers Co-operative Societies produced 986.29 lakh metres of handloom cloth valued at Rs.821.35 crores and sold handloom fabrics to the extent of Rs.936.66 crores. Out of these, 819 Handloom Weavers Co-operative Societies are functioning with profit.

All the developmental programmes and welfare schemes of both State and Central Government intended for the handloom weavers are being implemented for the benefit of the Handloom Weavers Co-operative Societies functioning in the State.



**Production of Handloom Cloth**



**Sale of Handloom Cloth**

## 2.2 Powerloom Sector

The powerloom sector in India is one of the important segment of Textile Industry in terms of fabric production and employment generation. The decentralized powerloom sector in the country provides employment to about 58.68 lakh persons and contributes 60% to the total cloth production in the country. 60% of the fabrics produced in the powerloom sector is man-made. More than 60% of fabric meant for export is also sourced from powerloom sector. The readymade garments and home textile sectors are heavily dependent on the powerloom sector to meet their fabric requirement. There are 23.47 lakhs powerlooms in the country, of which, 1.15 lakhs are shuttleless auto looms.

The powerloom sector in Tamilnadu plays a pivotal role in meeting the clothing requirements of the people. The powerloom sector in Tamilnadu is next only to Maharashtra in terms of number of powerlooms. This sector provides employment to



**Powerloom**

around 10.12 lakhs workers. As against 23.47 lakh powerlooms in India, 4.05 lakhs ordinary powerlooms and 20000 shuttleless auto-looms are located in Tamilnadu. There are 53479 powerlooms functioning under **177 Powerloom Weavers Co-operative Societies.**

The powerlooms are largely located in Namakkal, Erode, Salem, Coimbatore, Vellore, Madurai, Karur, Tiruppur, Tiruvallur, Tirunelveli and Virudhunagar districts of the State. The Powerloom Weavers Co-operative Societies are producing cloth required for the Cost Free Sarees and Dhoties Scheme and Cost Free Uniforms to School Children. During the year 2013-2014, the Powerloom Weavers Co-operative Societies have produced 15.57 crore metres of cloth valued at Rs.450.88 crores and sold cloth worth Rs.405.94 crores.

### 2.3 Spinning Sector

The spinning sector is the backbone of the Tamilnadu's industrial development. The majority of the spinning mills are managed by private sector and are cotton spinning-oriented. Out of 3,303 small, medium and large textile mills in India, 1,999 mills are located in Tamilnadu. Similarly, out of 1,341 small spinning units in India, 1,041 are located in Tamilnadu. The Spinning Mills in the State also include 18 Co-operative Spinning Mills and 7

National Textile Corporation Mills. The spinning mills in the State are functioning with 22.42 million spindles. The State produces about 2025.64 million kgs of spun yarn per year and this is about 46.78% of the spun yarn produced in the entire nation. **Tamilnadu leads the country in terms of production of cotton and non-cotton yarn varieties. Tamilnadu is also the leading State in the Country in the export of cotton yarn.** The Textile Industry in India enables the Central and State Government to earn substantial revenue and also to earn foreign exchange through exports.



**Spinning Mill**



### 2.3.1 Cotton Cultivation

The textile mills in Tamilnadu currently need around 120 lakh bales of cotton annually as against the State's production of 5 lakh bales and the balance requirement is being met from other States and abroad. In Tamilnadu, the major cotton cultivation areas are Coimbatore, Erode, Virudhunagar, Tuticorin and Theni. The cotton required for the Co-operative Spinning Mills in Tamilnadu is being procured from the Cotton Corporation of India which is a Government of India undertaking. **The Government has now proposed to launch Cotton Cultivation Mission with an initial outlay of Rs.50 crores.** This Mission will focus on higher productivity and production. Funds under the Cotton Technology Mission of the Government of India will also be dovetailed with the State Mission. It is proposed to bring at least 3.70 lakh acres under cotton cultivation by 2014-2015, and ultimately increase it to cover 6 lakh acres in the next five years through this Mission.

### 2.4 Garments and Hosiery Sector

The garments and hosiery sector of the Textile Industry plays a pivotal role in Industrial development. The garment industry in Tamilnadu has attained self-reliant position from the basic raw material to the end product with value addition. The special feature of the garment sector is providing large scale employment to the women folk in the rural areas.

Most of the hosiery units in our 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. 24.5 million sq.metres of fabrics were produced in Tiruppur during 2013-2014. The total export turnover in Tiruppur during the year 2013-2014 was estimated to be around Rs.17,800 crores. Tiruppur has reported highest ever exports during 2013-2014.



**Garment Unit**

## **2.5 Processing Sector**

Textile processing constitutes a very important component of the textile value chain. The processing sector determines the core product value, product quality and has tremendous scope for innovations and impact over the final output. There are around 2300 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 27000 manufacturers, 48000 contractors and 1000 manufacturer-exporters of garments in India.

In Tamilnadu, this processing sector is functioning in following 4 segments:-

- Hand processing units.
- Semi power processing units.
- Power processing units.
- Processing units attached to composite or semi-composite mills.

## **3. The Department of Handlooms and Textiles**

The primary objectives of the Department of Handlooms and Textiles are:-

- (i) to promote the growth of handloom, powerloom and other sectors of the Textile Industry, and
- (ii) to strive for the welfare of all the stakeholders connected with industry, more particularly, the handloom weavers and the textile workers.

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 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 executing the policies of the Government and ensuring the implementation of the schemes in most effective manner 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 Tamilnadu Co-operative Societies’ Act 1983 and Rules 1988. The Department has the overall responsibility for ensuring the availability of raw materials for all the sectors of the industry, augmenting the production of

yarn and fabrics at reasonable prices. It has a special responsibility towards the Co-operative sector for the supply of yarn and other raw materials and also arranging for 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 Director at the headquarters is assisted by Additional Director (Handlooms and Textiles), Joint Director (Handlooms), Joint Director (Uniforms), Joint Director (Textiles), Financial Advisor and Chief Accounts Officer, Deputy Director (Textiles) and Deputy Director (Enforcement).

The following Institutions are functioning under the administrative control of the Department of Handlooms and Textiles:-

- 20 Circle Deputy Directors / Assistant Directors of Handlooms and Textiles office.

- 6 Enforcement Offices (Headquarter at Chennai with 5 circle offices).
- 1161 Handloom Weavers Cooperative Societies.
- 177 Powerloom Weavers Cooperative Societies.
- 18 Cooperative Spinning Mills (5 Cooperative Spinning Mills, Anna (Theni), Bharathi (Tuticorin), Pudukottai, Kanyakumari and Krishnagiri are functioning at present).
- Tamilnadu Handloom Weavers Cooperative Society Limited (Cooptex), Chennai.
- Tamilnadu Handloom Development Corporation Limited, Chennai.
- Tamilnadu Textile Corporation Limited, Coimbatore.
- Tamilnadu Zari Limited, Kancheepuram.
- Tamilnadu Cooperative Textile Processing Mills Limited, Erode.

- Tamilnadu Cooperative Spinning Mills Federation Limited (TANSPIN), Chennai.

#### **4 Schemes implemented by the Department**

##### **4.1 Cost Free distribution of Sarees and Dhoties Scheme**

The Government have been implementing Cost Free distribution of Sarees and Dhoties Scheme every year to distribute sarees and dhoties on the occasion of Pongal festival. This scheme provides continuous employment to 11,000 handloom weavers and 54,000 powerloom weavers of Weavers Co-operative Societies, besides fulfilling the clothing needs of nearly 3.45 crore people living in the rural and urban areas in Tamilnadu. The Department is entrusted with the task of procurement of yarn and production of sarees and dhoties.



**Hon'ble Chief Minister inaugurating the distribution of Cost Free Sarees and Dhoties for Pongal 2014 on 04.01.2014 at Coonoor**

172.51 lakh sarees and 171.18 lakh dhoties were supplied to respective District Collectors for Pongal 2014. The Government during Pongal 2014 have supplied improved quality of Cost Free Sarees by introducing finer variety of 60s Dyed Polycot Sarees instead of 40s Polycot Sarees with attractive colours.

The Government will continue to implement this scheme for Pongal 2015 for which a provision of Rs.499.16 crores has been made in the Budget Estimate for the year 2014-2015.

#### **4.2 Supply of Cost Free Sarees and Dhoties to Old Age Pensioners**

The Government are also implementing the Scheme of Cost Free distribution of Sarees and Dhoties to the Old Age Pensioners during Deepavali and Pongal festivals every year. The sarees and dhoties for this scheme are also produced by the Handloom and Powerloom Weavers Cooperative Societies in Tamilnadu. Co-optex is nominated as nodal agency for this scheme. 23.35 lakh sarees and 8.51 lakh dhoties were distributed during Deepavali

festival 2013. 21.08 lakh sarees and 8.18 lakh dhoties were distributed to the Old Age Pensioners during Pongal 2014,.

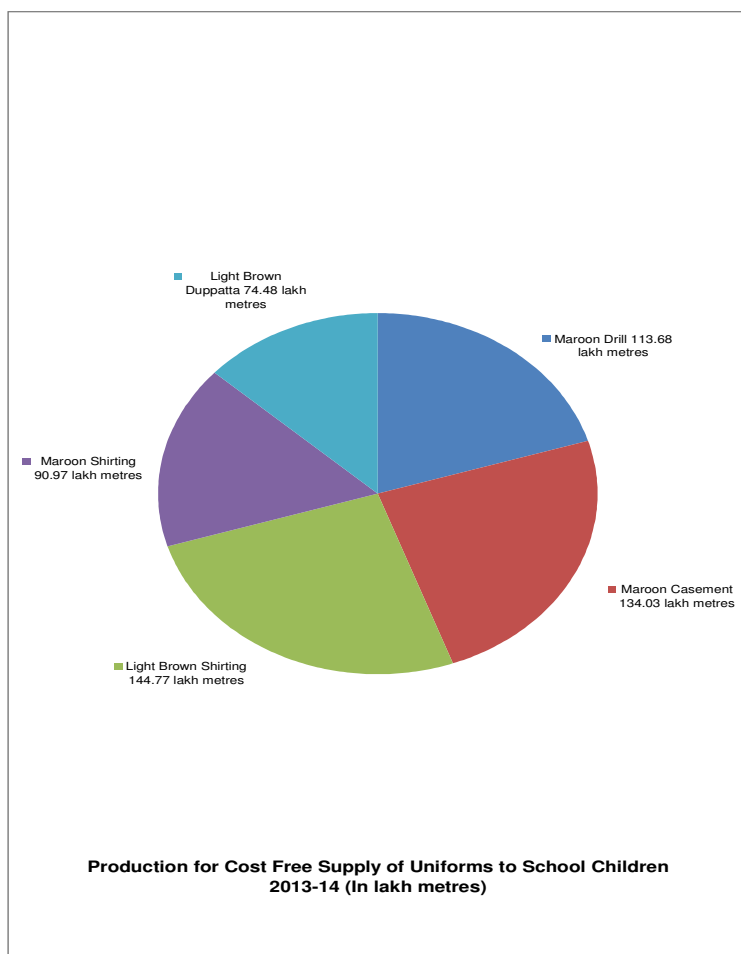
This scheme will be continued during 2014-2015.

#### **4.3 Scheme of Free Supply of Uniforms to School Children**

The Scheme of Free Supply of Uniform to the school children studying from 1st standard to 8th standard, who are beneficiaries under the Dr.Puratchi Thalaivar MGR Nutritious Meal Programme is being implemented from the year 1985-1986. As per the announcement made by the Hon'ble Chief Minister, four sets of uniforms are being provided from the Academic Year 2012-2013. Further, the Government have decided for issue of full pant instead of half pant to the Boys and salwar kameez instead of pavadai and dhavani to the Girls studying from 6th standard and above.

The Uniform cloth namely Maroon Drill, Maroon Casement, Light Brown Dhavani, Light Brown Shirting and Maroon Shirting required for the

scheme are being produced by Handloom and Powerloom Weavers Co-operative Societies. The Tamilnadu Handloom Weavers Co-operative Society Limited and Tamilnadu Textile Corporation Limited, are appointed as nodal agencies for procurement and supply of uniform cloth to Social Welfare and Nutritious Meal Programme Department. Apart from this, the Uniform cloth required for Adi-Dravidar and Tribal Welfare Department, Backward Classes, Most Backward Classes and Minorities Welfare Department are also being produced by the Handloom and Powerloom Weavers Co-operative Societies.



The scheme also provides employment opportunity to 10000 handloom weavers and 53,000 powerloom workers of Weavers Co-operative Societies.

559.85 lakh metres of uniform cloth were produced and supplied under the scheme during the academic year 2013-2014,. The Government have released Rs.309.68 crores under this scheme during the year 2013-2014.

The scheme will be continued during the Academic Year 2014-2015 at a cost of Rs.320.00 crores.

#### 4.4 Rebate Subsidy Scheme

The Government of Tamilnadu have been implementing the Rebate Subsidy Scheme to promote the sale of handloom cloth. This scheme enables the Primary Weavers' Co-operative Societies and Co-optex to improve marketing of handloom products by which the handloom weavers are getting continuous and assured employment, besides protecting the handloom industry from

severe competition from the mill and powerloom sectors.

The State Government permit the Primary Weavers' Co-operative Societies and Co-optex to allow rebate at the rate of 20% for the sale of handloom cloth throughout the year subject to the limit of 20% or Rs.100/- per unit for cotton varieties and 20% or 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 15th 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 2013-2014, rebate subsidy of Rs.78.45 crores was released to the Weavers Co-operative societies and Co-optex.

This scheme will be continued during 2014-2015. A sum of Rs.78.45 crores has been

provided in the Budget Estimate for the year 2014-2015.

#### **4.5 Interest subsidy scheme**

The Government are implementing "Interest Subsidy Scheme" by providing 4% interest subsidy to the Handloom Weavers Co-operative Societies for the working capital availed by them from the District Central Cooperative Banks under NABARD refinance Scheme. The objective of this Scheme is to reduce the interest burden of the Primary Weavers' Co-operative Societies, thereby providing continuous employment to handloom weavers.

The interest subsidy is paid to the Handloom Weavers Cooperative Societies on monthly basis from November 2012 instead of quarterly basis. In order to speed up the process of payment, power of sanction has been delegated to the Director of Handlooms and Textiles.

During the year 2013-2014, a sum of Rs.10.50 crores was released to the Handloom Weavers Cooperative Societies under this scheme.



This scheme will be continued during 2014-2015 and a provision of Rs.10.50 crores has been made in the Budget Estimate for the year 2014-2015.

#### **4.6 Revival, Reform and Restructuring Package for Handloom Sector**

“Revival, Reform and Restructuring Package for Handloom Sector” scheme is implemented with the financial assistance of the State and Central Governments. The Handloom Weavers Co-operative Societies, Individual Weavers, Self Help Groups and Joint Liability Groups which have taken loans for weaving purposes will benefit under the scheme.

Under this scheme, funds are provided for repayment of 100% principal and 25% of interest which is overdue. This apart, over one year stock, depreciation on land and building, receivables are also eligible for reimbursement. The funds required for loan waiver and recapitalization of Apex Society (ie) Tamilnadu Handloom Weavers Cooperative Society (Co-optex) are shared between the Government of India and State Government in the

ratio of 75:25 and for Primary Handloom Weavers Cooperative Societies, in the ratio of 80:20. The individual weaver loan to the extent of Rs.50,000 is also eligible for reimbursement. NABARD is acting as the nodal agency for implementing the financial package.

Under this scheme, recapitalization assistance of Rs.97.83 crores (Central Share Rs.76.51 crores and State share Rs.21.32 crores) have been sanctioned to 590 Primary Weavers Cooperative Societies, Co-optex and 520 weavers during the 1st phase for the year 2012-2013.

In the 2nd Phase, recapitalization assistance to the tune of Rs.49.88 crores (Central share Rs.39.80 crores and State share Rs.10.08 crores) has been sanctioned and released to 128 Primary Handloom Weavers Co-operative Societies during the year 2013-2014.

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

Weavers Credit Card Scheme was launched during the year 2011-2012. This scheme provides

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.

During the year 2013-2014, 22066 credit cards were issued to handloom weavers and loan amount of Rs.56.54 crores was sanctioned.

This scheme will be continued during the year 2014-2015 also.

#### **4.8 Comprehensive Handlooms Development Scheme**

Comprehensive Handlooms Development Scheme has been formulated by merging all the major components of the schemes namely Integrated Handlooms Development Schemes (IHDS), Marketing and Export Promotion Scheme

(MEPS) and Diversified Handloom Development Scheme (DHDS) implemented during the 11th plan.

This 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 and NGOs 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 Centre (WSCs) and Indian Institutes of Handlooms Technology (IIHTs) and development of web portal for e-marketing of handloom products. Various components of the scheme are listed below:-

##### **4.8.1 Consolidation of Clusters**

Clusters, having handlooms 5000 per cluster and 300-500 handlooms per clusters will be taken up for consolidation. Only those clusters having potential for development will be considered for

consolidation, which will be based on assessment made by an Independent Agency/Committee.

For consolidation of clusters taken up in X-Plan, financial assistance upto Rs. 50.00 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 during 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 for consolidation will be shared by the Government of India and the State Government / Implementing Agency / Beneficiary in the ratio of 75 : 25 respectively. Financial assistance will be released

to the Implementing Agency through the State Government concerned.

#### **4.8.2 New Clusters**

The 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 financial

assistance per cluster will be upto Rs.60 lakhs per cluster having 200-500 handlooms and upto Rs.150 lakhs for clusters having 2000-5000 handlooms.

Under this component, financial assistance will be provided towards conduct of baseline survey, diagnostics 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 (CATD) and card punching system, Corpus fund for yarn depot, setting up of Common Facility Centre / Dye House, assistance for construction of workshed, etc. Duration of implementation of the Cluster project is 4 years.

This Scheme will be implemented in Tamilnadu and a budget provision of Rs.2 crores has been made in the Budget Estimate for the year 2014-2015.

#### **4.8.3 New Group Approach Projects**

Weavers, who are not covered by clusters will be benefited under the Group Approach Projects, which 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. Average financial assistance per group is Rs.30,000. Duration of implementation of the group approach project is 2 years.

#### **4.8.4 Marketing Incentive Scheme**

Marketing Incentive is one among the components of Comprehensive Handlooms Development Scheme. Financial assistance is given to the handloom agencies for the activities that would attract the consumers in order to gear up overall sales of handloom goods. The assistance towards Marketing Incentive shall be eligible to 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 assistance. The funds are shared between State and Central Governments on 50:50 basis.

A sum of Rs. 82.35 crores comprising Government of India share of Rs.41.175 crores and State Government Share of Rs.41.175 crores as Marketing Incentive was sanctioned by the State Government and released to the 877 Handloom Weavers Co-operative Societies and Co-optex for the year 2013-2014 under Comprehensive Handlooms Development Scheme.

This scheme will be continued during 2014-2015. A sum of Rs. 89.805 crores has been provided in Budget Estimate 2014-2015.

#### **4.8.5 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 components will have following sub-components:

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

#### **4.9 Tamilnadu Co-operative Handloom Weavers Savings and Security Scheme**

The Government of Tamilnadu have been implementing the Tamilnadu 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.

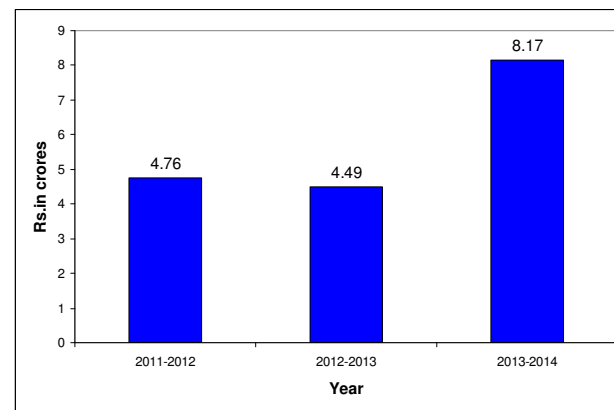
Under this Scheme, originally a weaver member in the Weavers Cooperative society contributed 8 paise per rupee of wage earned and the State Government had contributed 4 paise per rupee of wage as its share.

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 of wage with effect from 12.07.2012.

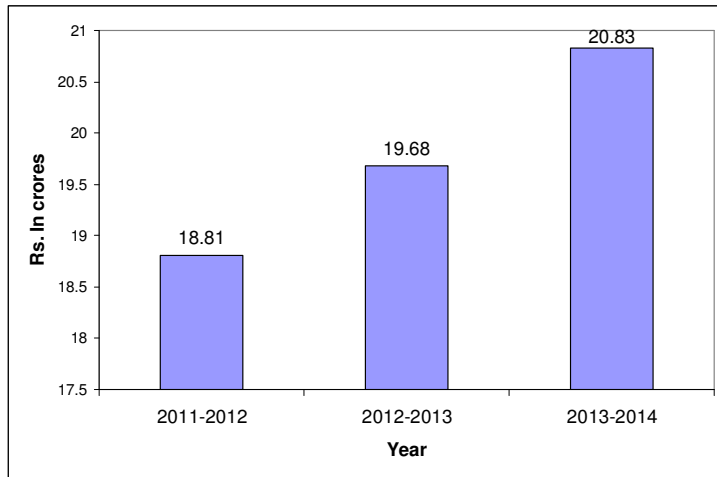
The weavers' contribution of 8 paise per rupee and the State Government contribution of 8 paise per rupee are being deposited in the Government account in Tamilnadu Co-operative Handloom Weavers Savings and Security Scheme fund. The State Government allow 9.5% interest on the deposits in this account. Out of this, 6.5% is being deposited in the scheme's fund account and credited

against the concerned weavers account and the balance 3% is being utilized for implementation of welfare schemes namely, Tamilnadu Co-operative Handloom Weavers' Old Age Pension Scheme and Tamilnadu Co-operative Handloom Weavers' Family Pension Scheme.

Under the scheme, 68,400 weaver members have participated and the State Government have released an amount Rs.8.17 crores in the year 2013-2014 towards State Government's contribution against the weavers contribution remitted in the year 2012-2013.



**Savings and Security Scheme  
State Government Contribution sanctioned during  
last three years**



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

The State Government have also released an amount Rs.20.83 crores in the year 2013-2014, towards 9.5% interest on the deposits in the Tamilnadu Co-operative Handloom Weavers Savings and Security Scheme fund account. As on 31.03.2014, 71,741 members were enrolled under this scheme.

Provision of Rs.32 crores has been made in the Budget Estimate for the year 2014-2015, towards

payment of State Government's 8% contribution and 9.5% interest under the scheme,.

#### **4.10 Tamilnadu Co-operative Handloom Weavers Old Age Pension Scheme**

The Old Age Pension Scheme for the Handloom Weavers in the Co-operative fold is implemented by the State Government from the year 1997. The members enrolled in the Co-operative Handloom Weavers' Savings and Security Scheme, who attained the age of 60 years are eligible to receive Rs.1,000 per month as old age pension. 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 the balance of Rs.800 is paid from the Government Account.

Under this scheme 17,238 weavers received Old Age Pension during 2013-2014, to the tune of Rs.20.69 crores. This Scheme will be continued during 2014-2015.



**Old Age Pensioner**

#### **4.11 Tamilnadu Co-operative Handloom Weavers Family Pension Scheme**

This Scheme is being implemented by the Government with effect from 01.01.1992. Under this scheme, in the event of death of a weaver 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. Out of the total monthly family pension amount of Rs.1000, the amount of Rs.350 is paid out of the 3% interest accrued under the Co-operative Handloom Weavers Savings and Security Scheme Fund Account and Rs.650 is paid from the Government Account. 1299 weaver families are getting family pension under this scheme. During the year 2013-2014 the State Government have sanctioned a sum of Rs.1.56 crores under this scheme.

A provision of Rs.18.19 crores has been made in the Budget Estimate for the year 2014-2015 for implementation of Old Age Pension and Family Pension scheme

#### **4.12 Health Insurance Scheme For Handloom Weavers**

In order to protect and improve the health condition of handloom weavers, the Health Insurance Scheme was introduced in the year 2005-2006. All handloom weavers in and outside co-operative fold and ancillary workers are eligible



for enrolment. Under this scheme, four family members of enrolled weaver are eligible to avail medical benefits upto Rs.15,000/- per annum, of which, inpatient treatment benefits may be availed upto Rs.7500/- and outpatient treatment benefits may be availed upto Rs.7,500/-.

This scheme has been implemented through ICICI Lombard General Insurance Company Ltd. The annual premium payable to ICICI Lombard is Rs.939.76 per weaver in the following pattern:

Government of India Share	Rs.769.36
State Government Share (Including weavers contribution of Rs.50/-)	Rs.170.40

Seventeen Health Camps have been conducted in the State by the ICICI Lombard during the year 2013-14 at Erode, Kancheepuram, Dindigul, Virudhunagar, Paramakudi, Trichy, Nagercoil, Thiruvallur, Salem, Cuddalore, Vellore, Tiruppur, Coimbatore, Tiruvarur, Madurai, Thiruvannamalai and Kumbakonam.

Under this scheme a Grievance Redressal Committee has been constituted for redressal of the following types of grievances against the insurer:

- Any partial or total repudiation or rejection of claims by the insurance company;
- Delay in settlement of claims;
- Non-issuance or delay in issuance of any Insurance Document / Health Insurance Card.

During the year 2013-2014, Grievance Redressal Committee meetings were conducted at 10 places at Madurai, Thiruvallur, Cuddalore, Karur, Trichy, Vellore, Tiruppur, Dindigul, Nagercoil and Coimbatore so as to redress the grievances of the weavers of these areas.

The Government of India have approved implementation of the revised Health Insurance Scheme for Handloom weavers under Rashtriya Swasthya Bima Yojana (RSBY) platform to make the insurance policy more beneficiary oriented and with enhanced benefits. Accordingly, the health insurance coverage to Handloom weavers in the State will be provided on RSBY platform from the year

2014-2015. This scheme would also cover medical benefits to handloom weavers in and outside co-operative fold and ancillary workers.

Under this New Health Insurance Scheme 5 family members including enrolled weaver can avail medical benefits upto Rs.37,500/- per weaver family per annum. Out of this, inpatient treatment would be available upto Rs.30,000/- per annum and outpatient treatment would be available upto Rs.7500/- per annum. Bio-metric Smart Cards will be issued to all the enrolled beneficiaries and they could avail cashless treatment facilities from any of the empanelled hospitals all over India by using the Smart Card.

The Government of India have appointed the Tamilnadu Handloom Development Corporation (TNHDC) Ltd. as the State Nodal Agency towards implementation of this scheme.

The annual premium payable to the Insurance Service Provider under the New Health Insurance

Scheme on RSBY platform is shared between the Central and State Government on 75:25 ratio.

2,70,046 beneficiaries covered under the erstwhile Health Insurance Scheme in the year 2013-2014 will be brought under the New Health Insurance Scheme for Weavers on RSBY platform from the year 2014-2015. Till the transition to new scheme, Government of India has extended the existing Health Insurance Scheme.

Towards implementation of this scheme a provision of Rs.5.45 crores has been made in the Budget Estimate for the year 2014-2015 for implementation of this scheme.

#### **4.13 Mahatma Gandhi Bunkar Bima Yojana**

##### **4.13.1 Insurance Scheme for Handloom Weavers**

In order 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 Mahatma Gandhi Bunkar Bima Yojana (MGBBY) is being implemented from the

year 2004-2005 with the assistance from the Government of India. The weavers who are within and outside co-operative fold are being benefitted under the scheme.

This scheme is being implemented in collaboration with the Life Insurance Corporation of India. The Mahatma Gandhi Bunkar Bima Yojana is renewable every year and the annual premium under the scheme is Rs.330/- per weaver in the following pattern:-

Government of India contribution	Rs.150/-
Government of Tamilnadu contribution on behalf of weavers	Rs.80/-
LIC of India contribution	Rs.100/-

The insurance amount payable by LIC 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

861 death claims have been settled and insurance amount to the tune of Rs.5.58 crores have been paid by LIC of India to the beneficiaries during the year 2013-2014. This apart, Co-optex is also paying a sum of Rs.25,000/- to the family of each deceased weaver under co-operative fold.

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. 2,34,608 handloom weavers / ancillary workers have been enrolled in Tamilnadu under Mahatma Gandhi Bunkar Bima Yojana Scheme during the year 2013-2014,.

The State Government have released an amount of Rs.1.88 crores to LIC of India during the year 2013-2014 on behalf of the beneficiaries under Mahatma Gandhi Bunkar Bima Yojana Scheme.

This scheme will be continued and the State Government have made a budget provision of Rs.2 crores in the Budget Estimate for the year 2014-2015 towards the payment of State share of premium and the weavers' share.

#### **4.13.2 Scholarship under Shiksha Sahyog Yojana**

The Mahatma Gandhi Bunkar Bima Yojana also provides scholarship to the children of weavers who are covered under “Shiksha Sahyog Yojana” at the rate of Rs.1200/- per child per annum (Rs.600 in two installments) for 2 children of each weaver, studying in 9th standard to 12th standard for a maximum period of four years or till they complete 12th standard.

49,770 students have been benefitted under Shiksha Sahyog Yojana and scholarship amount of Rs.2.98 crores have been released to the beneficiaries during the year 2013-2014. This scheme will be continued during the year 2014-2015.

#### **4.14 Free Electricity to Handloom Weavers**

The scheme for supply of Free Electricity upto 100 units (bi-monthly) for Handlooms Weavers is being implemented by the Government of Tamilnadu. 1,40,005 handloom weavers received benefits to the extent of the Rs.10.51 crores during 2013-2014. This scheme will be continued during the

year 2014-2015 and a sum of Rs.11.03 crores have been provided in Budget Estimate.

#### **4.15 Free Electricity to Powerloom Weavers**

The scheme of supply of Free Electricity upto 500 units (bi-monthly) to Powerloom Weavers is being implemented by Government of Tamilnadu. 1,03,653 powerloom weavers were benefitted under this scheme during 2013-2014 and a sum of Rs.235.10 crores has been released to the Tamilnadu Electricity Board.

A provision of Rs.246.86 crores has been made in the Budget Estimate 2014-2015 under this scheme.

#### **4.16 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 one male and female student, who have secured the highest marks in 33 disciplines, till they complete their course. From the year 2012-2013, scholarship

has been enhanced between Rs.4,000 and Rs.7,500 per year for 33 disciplines.

From the year 2013-2014 this scheme has been extended to students who have secured the second highest marks also. A total of 132 students (66 male and 66 female) are getting scholarship under this scheme every year.

During the academic year 2013-2014, scholarship amount to the tune of Rs. 2,98,000 has been disbursed to 75 eligible students.

The scheme will be continued during the year 2014-2015.

#### **4.17 Stipend to students of Indian Institute of Handloom Technology**

While selecting students to pursue the 3 year diploma in Handloom and Textile Technology course conducted by the Indian Institute of Handloom Technology, Salem, priority is being given to the wards of the weavers. The Government of Tamilnadu have been granting stipend to the students admitted into the course as detailed below:-

(Amount in Rs. per student)

<b>Year</b>	<b>GOI share/per month</b>	<b>TN Govt. share per month</b>	<b>Total</b>
I Year	200	200	400
II Year	225	225	450
III Year	250	250	500

An additional stipend and contingency amount of Rs.1,000/- per annum is paid for purchase of books. Further, for the 2nd year students, educational tour allowance of Rs.1000/- per annum and for the 3rd year students, assistance of Rs.500/- for project work is also paid. This financial assistance is provided from Co-operative Education Fund of Tamilnadu Cooperative Union.

A decision has been taken by the Board of Governors of Indian Institutes of Handlooms Technology to enhance the stipend from Rs.400/- to Rs.1000/-, Rs.450/- to Rs.1100/- and Rs.500/- to Rs.1200/- per month for I, II & III year students respectively and requested the Government of Tamilnadu to give consent for speedy

implementation. The Government of Tamilnadu have given consent to enhance the stipend.

The students studying at the Institutes at Gadag (Karnataka) and Venkatagiri (Andhra Pradesh) under Tamilnadu Government quota are also being paid similar stipend. In the academic year 2013-2014, stipend of Rs.4,38,750 was disbursed to 95 students under this scheme.

This scheme will be continued in 2014-2015.

#### **4.18 Award for the Best Exporters**

With a view to encourage the handloom exports and to augment the sale of handloom products in the international market, the Government of Tamilnadu are implementing the Prize Award Scheme for the Best Exporters since 1975.

In order to encourage the export production among the Weavers Co-operative Societies a sum of Rs.1 lakh per annum is provided every year to distribute trophies and certificates to the Best

exporters and Primary Weavers' Cooperative Societies under this scheme.

For this purpose, a provision of Rs.1 lakh has been made in the Budget Estimate for the year 2014-2015.

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

To encourage introduction of new designs in handloom varieties, the Government are implementing Prize Award Scheme for the Best Weavers who have developed new designs in cotton and silk varieties. The prize for the best designs are given in the following manner:-

First Prize Rs.5,000/-

Second Prize Rs.3,000/-

Third Prize Rs.2,000/-

This scheme is aimed to facilitate creation 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 2014-2015.

#### **4.20 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 and for the further development of Handloom Weavers Co-operative Societies in terms of production and sales. For the year 2013-2014, best weaver award of Rs.1 lakh was given to a weaver of Thirubuvanam Silk Weavers Co-operative Society.

This scheme will be continued during the year 2014-2015 and a provision of Rs.1.00 lakh has been made in the Budget Estimate for the year 2014-2015.

### **5. Other Important Schemes of the Department**

#### **5.1 Solar Powered Green Houses Scheme for Weavers**

The Hon'ble Chief Minister of Tamilnadu has announced that 10,000 Green Houses would be

constructed for handloom weavers in the State during 2013-2014 under the Chief Minister's Solar Powered Green House Scheme. Further, the Hon'ble Chief Minister have also announced that 10,000 Green Houses for Weavers would be constructed in an extended area of 365 sq.ft., and at a higher unit cost of Rs.2.60 lakhs, so as to accommodate the handlooms in these houses enabling handloom weavers to weave at their home itself.

Accordingly, Government Orders and guidelines of the scheme were issued for implementation of the Chief Minister's Solar Powered Green House Scheme for the Handloom Weavers. Weavers who are below poverty line and member of co-operative societies with patta land are eligible under the scheme. Each house have provision of weaving cum living hall, bed room, kitchen, toilet, rain water harvesting facility and solar powered lighting system. This scheme is implemented at a cost of Rs.260 crores.



**Chief Minister's Solar Powered Green House**

This scheme is being implemented in co-ordination with the Rural Development and Panchayat Raj Department. Under this Scheme, the State Government have sanctioned the first instalment amount of Rs.92 crores to the Rural Development and Panchayat Raj Department in the year 2013-2014. Balance sum of Rs.168 crores has been provided in the Budget Estimate 2014-2015.

#### **5.2 Supply of Pedal Looms to Handloom Weavers**

In order to reduce drudgery of handloom weavers, to increase production by using the upgraded technology and also to improve their wage earning capacity, the Government have approved a scheme to install 6,000 pedal looms over a period of 3 years @ 2,000 pedal looms per year at a cost of Rs.24 crores based on the announcement made by the Hon'ble Chief Minister. Accordingly, orders have been issued sanctioning Rs.8 crores towards supply of 2000 pedal looms in the 1st phase.





**Pedal Loom**

### **5.3 Supply of Motorized Pirn Winding Machines to Handloom Weavers**

In order to increase the income of the Handloom Weavers in the Handloom Weavers' Co-operative Societies and to reduce physical strain in winding activity, the Hon'ble Chief Minister of Tamilnadu has announced that 25,000 motorised pirn winding machines would be supplied to the handloom weavers @ Rs.1500/- each at a total cost of Rs.3.75 crores. Motorised pirn winding machines are being supplied to 25,000 handloom weavers.

### **5.4 Fixation of Special Time Scale of Pay to Employees Working on Consolidated Pay**

Based on the announcement made by the Hon'ble Chief Minister, the Government have ordered fixation of pay of the staff working in the Weavers' Co-operative Societies on consolidated pay basis for more than 10 years in the special time scale of pay with effect from 01.01.2013 according to classification of the societies.

### **5.5 Stipend for the Apparel Training**

With a view to create employment opportunities to rural and urban youth and to encourage successful trainers who have undergone training in Apparel Training and Design Centre for a period of 45 days, the Government have sanctioned Rs.3 crores during the year 2013-2014 to provide stipend of Rs.2,000/- per trainee for 15,000 trainees.

## 5.6 Installation of Automatic Shuttleless Powerlooms

In order to improve the quality of cloth and also to increase the production and to provide continuous employment to workers of Tamilnadu Textile Corporation Limited, the Government have sanctioned a sum of Rs.4.78 crores as loan to Tamilnadu Textile Corporation Limited, towards installation of 10 shuttleless Auto-Looms.



**Shuttleless Auto-Loom**

## 5.7 New Designs

Based on the announcement of the Hon'ble Minister for Handlooms and Textiles, 500 New Designs developed with the assistance of National

Institute of Fashion Technology, Chennai were introduced during 2013-2014 so as to promote the sale of handloom cloth varieties produced by the Handloom Weavers' Cooperative Societies. These new designs are distributed to the Societies in Paramakudi, Negamam(Coimbatore), Vanavasi (Salem), Chinnalapatti(Dindigul), Vadamanappakkam and Arni (Tiruvannamalai) for utilising the same in the production. The Handloom Weavers' Cooperative Societies from the above areas are continuing the production of sarees with the new designs and selling the same in the open market.

## 5.8 Handloom Mark Scheme

The Handloom Mark Scheme was launched by the Government of India on 28.06.2006, in order to create an exclusive identity to the handloom products and to improve its marketing both in domestic as well as international markets.

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. 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 and using the Handloom Mark Labels. As on 31.03.2014, 7782 organisations / Individuals have been registered under the Handloom Mark Scheme.

### **5.9 Silk Mark**

With a view to promote the sale of silk products in domestic and international market, the Government of India have introduced and implemented “Silk Mark” from 17.04.2004. Silk Mark is an identity, label which is affixed only on pure and natural silk products of Mulberry, Tusser, Eri or Muga silk to assure customers of its quality. 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 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 only can use the Silk Mark Labels in their silk products.

Upto 31.03.2014, 74 Silk Handloom Weavers’ Co-operative Societies have registered themselves as authorized users with the Silk Mark Organization. Further it has been proposed to introduce “Fusion Label” in coming year.

### **5.10 Handloom Weavers Training Centres**

In order to upgrade the skill of the handloom weavers in weaving, dyeing, designing and embroidery & embellishment work, the Government of Tamilnadu have established training centres at 4 places viz, Erode, Kumbakonam, Kancheepuram and Paramakudi.

In these training centres, classroom and practical training is 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 covered. 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 major goal of these training centres is to motivate younger generation to weaving profession and thereby arrest the decline in the numbers of weavers.

The details about the training centres established by the Government of Tamilnadu and their performance 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	1019
2	Handloom Weavers Training Centre, Kumbakonam	27.03.2013	46.09	290
3	Handloom Weavers Training Centre, Kancheepuram	30.03.2013	46.09	232
4	Design and Training Centre, Paramakudi	31.03.2013	54.28	460

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

As far as Tamilnadu is concerned, silk weaving is the major profession in Kancheepuram, Salem, Kumbakonam, Thiruvannamalai, Cuddalore, Thiruchengode and Thiruvarur. Since, majority of the weavers are aged, the Government of Tamilnadu, with a view to reduce the drudgery of the weavers and to increase the production, along with the Central Silk Board under the Government of

India provide financial assistance to the tune of Rs.10,000/- per weaver for upgradation of silk loom with various accessories such as Jacquard box, doobby, motorized pirn winding machines etc.,

As on 31.03.2014, 2,444 silk weavers from 62 Primary Weavers' Co-operative Societies have benefited under this scheme.

#### 5.12 Tamilnadu Handloom and Handloom Silk Weaving Workers Welfare Board

In the year 2000-2001, the Tamilnadu Manual Workers' Board and 9 other Welfare Boards including Tamilnadu Handloom and Handloom Silk Weaving Workers' Welfare Board were established. The Tamilnadu 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.

The Hon'ble Minister for Handlooms and Textiles is the Chairman of the Board and seven

Government representatives, seven Employers' representatives and six Worker's representatives are 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 of financial assistance provided to members are given below:-

Sl.No.	Details		Financial Assistance provided per member Rs.
1.	Accident Insurance Scheme		
	i	Accidental Death	100000
	ii	Accidental Disability	Based on extent of disability
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	2000
	ix	Regular Post Graduate course with hostel facility	3000
	x	Professional Degree course	2000
	xi	Professional Degree course with hostel facility	4000
	xii	Professional P.G. course	4000
	xiii	Professional P.G. course with hostel facility	6000
	xiv	I.T.I. or polytechnic course	1000
	xv	I.T.I. or Polytechnic course with hostel facility	1200
5.		Marriage Assistance	2000
6.		Medical Assistance	
	i	Maternity Assistance	6000
	ii	Reimbursement of cost of spectacles	Upto 500
7.		Pension (per month)	1000

At present, 2,61,589 weavers are members in this Board.

Upto 31.03.2014, financial assistance to the tune of Rs.45.69 crores has been provided for the

benefit of 2,07,340 weavers through this Board. During the year 2013-2014, financial assistance to the extent of Rs.6.25 crores has been disbursed to 27,238 beneficiaries.

### 5.13 Tamilnadu Powerloom Weaving Workers' Welfare Board

In order to implement various welfare schemes for the powerloom weaving workers, the Government of Tamilnadu have established the "Tamilnadu Powerloom Weaving Workers' Welfare Board" under Tamilnadu Manual Workers (Regulation of Employment and Condition of Work) Act 1982. Financial Assistance such as insurance coverage for accidental and natural death, assistance for funeral expenses, educational assistance, marriage assistance, maternity assistance, pension benefits and assistance for purchase of spectacles are being provided to the powerloom weaving workers through this board. So far 1,35,629 powerloom weaving workers have been enrolled in this board and financial assistance to the tune of Rs.16.87 crores has been disbursed to 80729 beneficiaries.

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

To protect the handloom weavers / industry from the onslaught of powerlooms, the Central Government have enacted the Handlooms (Reservation of Articles for Production) Act, 1985 and reserved the following 11 items for exclusive production by handlooms.

(1) Saree	(2) Dhoty	(3) Towel/Gamcha and Angavastram
(4) Lungi	(5) Chaddar Mekhala/ Phanek	(6) Jamakkalam/Durry or Durret
(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)	

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 are 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 public in the powerloom concentrated areas. Inspections are being carried out continuously in powerloom concentrated areas to implement the Handlooms (Reservation of Articles for production) Act, 1985 vigorously.

During 2013-14, 57072 Powerlooms have been inspected. Due to the vigorous implementation of the Handlooms (Reservation of Articles for Production) Act, 1985, 104 First Information Reports were filed. Out of these, 41 cases have ended in conviction. 114 awareness meetings have been held so far.

#### 5.15 District level Exhibitions

During the year 2013-2014, 11 District Level Events were conducted at Karur, Cuddalore, Paramakudi, Erode (2 events), Madurai, Salem

(2 events), Kumbakonam (2 events), Coimbatore and 3 special handloom expo were conducted at Chennai, Coimbatore and Tiruvannamalai and sales to the tune of Rs.6.05 crores were generated. The basic objectives of conducting exhibition is to create awareness and improve the sales of handloom products.

#### **6. Common Effluent Treatment Plant at Tiruppur**

Tiruppur town and surrounding areas are known as a reputed Hosiery Manufacturing Hub and its export cluster has contributed to the Country's valuable foreign exchange worth more than Rs.17,000 crores during 2013-2014. Besides, the industry also provides employment to 5.00 lakh people, not only from Tamilnadu but also from the other States. In view of the large number of Textile units engaged in dyeing, bleaching and processing activities, the effluent discharged by these units flow into the Noyel river and other water bodies causing pollution problem.

As directed by Hon'ble Supreme Court and Hon'ble High Court of Madras, 18 Common Effluent



**Common Effluent Treatment Plant**

Treatment Plants have been planned and are being established at a project cost of Rs.742.93 crores by getting bank loan to the tune of Rs.519.46 crores, to treat 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 Common Effluent Treatment Plants had represented to the Government to reduce their burden of the bank loan. Acceding to the request of the Common



Effluent Treatment Plants, 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 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.

## 7. Scheme for Integrated Textile Park

The Government of India have introduced the Scheme for Integrated Textile Parks (SITP) in the year 2005 by merging the Scheme of Apparel Park for Export Scheme (APES) and Textile Centre Infrastructure Development Scheme (TCIDS). The SITP has been implemented during X and XI Five Year Plan and extended to XII Five Year Plan. The Scheme for Integrated Textile Park scheme was launched to provide world class infrastructure

facilities for setting up of Textile units. The scheme facilitates the Textile units to meet international environmental and social standards. The scheme helps to improve the quality of Indian Textiles and is being implemented as Public-Private Partnership model. Under these schemes, 15 Textile Parks have been approved by the Government of India for Tamilnadu.

The status of 15 Textile Parks sanctioned in Tamilnadu under various schemes is tabulated below:-

S. No.	Name of the Project	Project Cost	Central Government subsidy	State Government Subsidy	Year of Sanction	Direct Employment (No of Persons)	Indirect Employment (No. of persons)
		(Rs.in crores)					
<b>Apparel Park Export Scheme (APES)</b>							
1	Nethaji Apparel Park, Tiruppur	17.62	13.76	50% stamp duty exempted	2002	7000	9000
2	Apparel Park , Irungattu Kottai	26.70	10.68	-	2004	10000	10000
<b>Textile Centre Infrastructure Development Scheme (TCIDS)</b>							
3	TCIDS Kancheepuram	21.81	19.08	2.64	2004	Infra-structure	
4	Windmill Project for TEKIC, Tiruppur	25.00	12.25	-	2003	Production of Electricity	

S. No.	Name of the Project	Project Cost	Central Government subsidy	State Government Subsidy	Year of Sanction	Direct Employment (No of Persons)	Indirect Employment (No. of persons)
			(Rs.in crores)				
5	Cauvery Hi-Tech Weaving Park, Komarapalayam	33.32	19.91	3.98	2005	1500	15000
<b>Scheme for Integrated Textile Park (SITP)</b>							
6	Hi-Tech Weaving Park, Palladam	55.42	22.17	4.98	2005	2500	3500
7	Hi-Tech Weaving Park, Komara Palayam	34.82	13.93	3.13	2006	1500	1500
8	Madurai Integrated Textile Park Vadipatti	87.30	34.92	7.86	2007	3000	4000
9	Integrated Textile Park Karur District	116.10	40.00	9.00	2007	3000	4000
10	GILT Integrated Textile Park Chengapalli, Tiruppur District	149.45	40.00	9.00	2006	5000	7500
11	SIMA Processing Park Cuddalore	111.60	40.00	9.00	2007	5000	10000
12	Vaigai Hi-Tech Weaving Park Andipatti	61.01	24.40	4.37	2009	2500	3500
13	Perarignar Anna Handloom Silk Park, Kancheepuram	83.83	33.53	7.54	2010	10000	8200
14	SLS Textile Park Bagalur, Krishnagiri	126.20	40.00	9.00	2011	5000	2300
15	Pallavada Technical Textile Park, Erode	115.27	40.00	9.00	2011	3000	2300
	Total	1065.45	404.63	79.50	-	59000	80800

By considering the importance of the scheme and its role in textile sector the State Government also contributes a subsidy of 9% of the Project Cost with a maximum of Rs.9.00 crores as Tamilnadu Government grant to all the Textile Parks established in Tamilnadu under Scheme for Integrated Textile Park. A state level monitoring committee has been constituted to oversee the implementation of this scheme.

## **8. Institutions under the administrative control of the Department**

### **8.1 Tamilnadu Handloom Weaver's Co-operative Society Limited (Co-optex)**

The Tamilnadu Handloom Weaver's Co-operative Society Limited, popularly known as Co-optex was registered as a State Level Co-operative Organisation in the year 1935. Co-optex is the foremost Apex handloom weavers Co-operative society in the country completing 79 years of unstinted service to the handloom weavers in the State.

### **Main objectives:**

- To extend marketing support to Handloom weavers Co-operative societies
- To promote production of Handloom products in Co-operative sector
- To create continuous employment opportunities for Handloom weavers in the state

### **Organisation:**

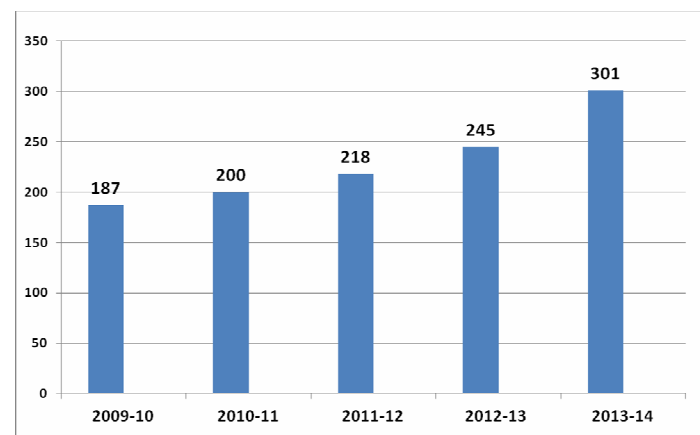
Co-optex, the biggest apex society in the handloom sector in India, is marketing handloom products through its 200 showrooms spread all over the country. Out of the total retail showrooms, 133 are located in Tamilnadu and 67 retail showrooms are located outside the state.

### **Performance during 2013-2014**

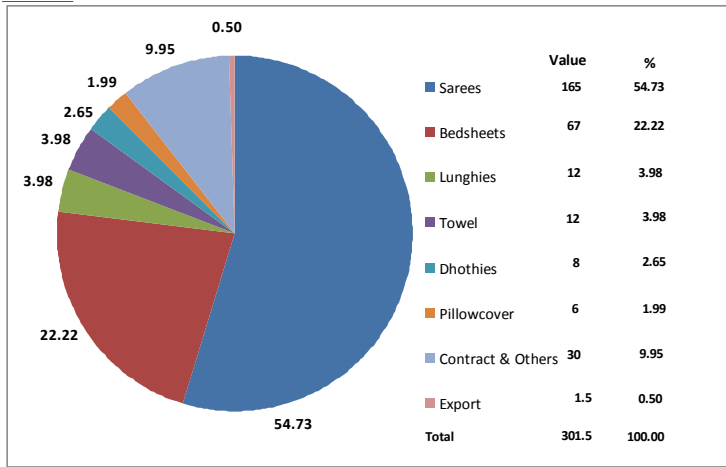
#### **1. Retail Sales**

During the year 2013-2014, Handloom and Powerloom goods worth Rs.301.44 crores were sold which also includes an export sale of Rs. 1.25 crores. Retail Sales were higher by Rs. 56.83 crores than the previous year. Besides change in procurement policy from seasonal procurement to

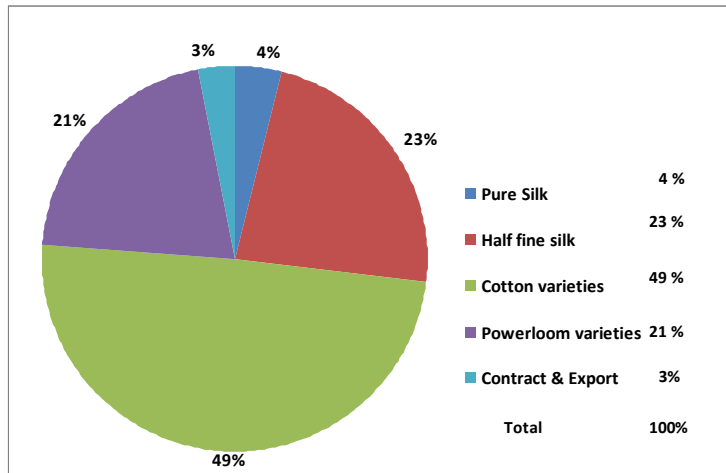
continuous procurement, modernization of existing showrooms and introduction of wide range of products and designs have helped Co-optex to achieve the record sales.



**Retail Sales (Rs.in crores)**



**Product wise Sale for the year 2013-2014  
(Rs.in crores)**



**Variety wise Sale for the year 2013-2014**

## 2. Government Schemes

### a) Cost Free distribution of Sarees and Dhoties Scheme

During Pongal 2014 Co-optex has acted as nodal agency for implementation of the Scheme of Cost Free Distribution Sarees and Dhoties to the poor people. For Pongal 2014 Co-optex has supplied 172.51 lakh Sarees and 171.18 lakh Dhoties to the respective District Collectors.

### b) Cost Free distribution of Sarees and Dhoties to Old Age Pensioners

Co-optex is the nodal agency for cost free distribution of sarees and dhoties to old age pensioners. 21.08 lakh Sarees and 8.18 lakh Dhoties were supplied to respective Collectors under this scheme during Pongal 2014,.

### c) Supply of Uniform Cloth

The uniform cloth supplied to Social welfare department under Nutritious Meal Programme and Other Welfare Departments for the Scheme year 2012-2013 (Academic year 2013-2014) is as follows.

S. No	Variety	Quantity supplied (in lakhs Mts)
1	Maroon Drill	121.51
2	Maroon casement	141.12
3	Maroon shirting	1.31
4	Light Brown shirting	1.31
5	Light Brown Duppatta	80.10
	<b>Total</b>	<b>345.35</b>

### 3. Yarn Sale

Co-optex has supplied yarn worth Rs.81.59 crores from 01.04.2013 to 31.03.2014 to the Handloom and Powerloom Primary Weavers Cooperative Societies by procuring it from the Co-operative Spinning Mills as well as from the private traders through tender.

### 4. Initiatives taken during 2013-14

#### 4.1 Design Studio

The Design Studio which was established at Co-optex premises with the assistance of Rs.15 lakh from Government of Tamilnadu is functioning since 28.10.2013.

It is established to achieve design development activities with one lead designer and

three free lance designers and two designers from National Institute of Fashion Technology.

The designers have developed so far around 800 new designs in different products as per current market trends. 200 colour combination shade card has also been issued to Handloom weavers co-operative societies for developing new designs as per design colour combinations developed by Design Studio.

Due to the intervention of Design Studio the new Collections have been developed and released for sale during the year 2013-2014.



**Design Studio**

#### **4.2 Textile Library**

Textile Library which was established in Co-optex premises with the assistance of Rs. 25 lakhs from Government of Tamilnadu is functioning since 30.12.2013. The Textile Library is open for visitors and general public. It has collection of more than 450 textile books and textile related monthly magazines.



**Textiles Library**

#### **4.3 Textile Testing Lab**

As a part of marketing strategy to promote sales of Co-optex, Textile testing lab has also been established in the premises of Co-optex. Quality of the goods produced by member societies of Co-optex, are being checked in this lab for ensuring good quality in handloom products.

#### **4.4 Ahimsa Silk Sarees**

“Ahimsa” means Non – Violence. Normally silk saree is having the character of soft feel and shining look. While wearing silk sarees it gives elegant look and happiness to the wearer. To produce normal silk sarees thousands of silk worms sacrifices their life. However without killing the silk worms Ahimsa silk yarn is extracted after the silk worm emerged from the cocoon. Ahimsa silk is produced from muga silk. Ahimsa soft silk sarees are produced in Tirupur and Sirumugai area Co-operative Handloom Societies of Coimbatore region.



Ahimsa Silk Sarees

#### 4.5 National Awards

During the year 2013, Co-optex won two national awards for the 'Outstanding Contribution to Handlooms' and 'Largest Producer of Handloom in India'.



National Awards Certificate

#### 4.6 Honouring of Weaver

In order to Honour and recognize the skill and hard work of the Handloom weavers, it has been decided to attach a card with photograph of the producing weaver with details of name, age and weaving technique. The scheme is introduced for handloom saree weavers initially and it is proposed to be extended to other handloom product weavers also in future.



Weaver's Card

### 5. Marketing strategies

#### 5.1 Thanga Mazhai Thittam

To promote retail sales during festival seasons covering Deepavali, Christmas and Pongal, Co-optex has introduced a Contest named Thanga Mazhai Thittam for its customers purchasing on cash basis. 110 prizes of 8 gms gold and 110 consolation prizes of 2 gms gold are proposed to be distributed to the winners in all 11 Regions.

#### 5.2 Yellorukuum Pattu

To fulfill the aspirations of the lower middle income group, Co-optex introduced low cost silk sarees under the brand Yellorukuum Pattu in the price range of Rs. 2300/- to Rs.3000/-. These sarees have received good response from the customers. 23,000 pieces has been sold so far by Co-optex.

#### 5.3 Kanavu Nanavu Thittam

Co-optex offers a popular monthly saving scheme named as "Kanavu Nanavu Thittam". During the year 2013-2014, around 40000 customers have been enrolled under this scheme and Co-optex



collected Rs 140.00 lakhs as first installment.

#### **5.4 Buy 2 Get 1 free scheme**

“Buy 2 Get 1 free scheme”, was launched as per the advice of the Hon’ble Chief Minister. This scheme has got good response from customers. During 2013-2014, sales of Rs.36.70 crores were achieved under this scheme.

#### **5.5 Introduction of new varieties**

Co-optex introduced Tamil Ilakiya, Kalvium katchiyum, Kutti’s and Honeymoon cotton printed bed sheets which attracted more number of customers and thereby sales increased considerably.

#### **5.6 Dhothi Day**

The Objective of the “Dhothi Day” is to promote the sale of Dhothi and to provide continuous employment to the weavers paving way for improving their standard of life at the same time attracting the younger generation towards age-old culture. Co-optex observed “Dhothi day” during the first week of January. Dhothi day has received good

response from customers. Sale of dhoties during January 2014 has increased significantly when compared to the usual sale of dhoties in the same season during previous year.

#### **6. Cluster Development Programme (Centrally Sponsored Scheme)**

The Department of Handloom & Textiles allotted 10 mini and 4 silk mini cluster to Co-optex. The activities of these mini clusters are in various stages of completion. The Government of India have sanctioned two Major Clusters for implementation by Co-optex under Intergrated Handloom Cluster Development Scheme (IHCDS) each one at Kurinjipadi and Tiruvannamalai at a total cost of Rs.2 crores during the year 2006-2007. Various scheme components of these clusters have been completed.

##### **6.1 Virudhunagar Mega Handloom Cluster(VHMC)**

The Government of India has sanctioned the Scheme of Virudhunagar Mega Handloom Cluster under Comprehensive Handloom Development Scheme (CHCDS) during the year 2009-10, at a total

financial out lay of Rs.87.68 crores. Out of this, financial Assistance of Rs.70 crores is provided as grant-in-aid by Government of India and the balance amount is shared by the State Government and the beneficiaries.

This Project is to be implemented over a period of 5 years. The details are as follows:-

(Rs in lakhs)				
S. 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 Centres	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

### Objectives of the Scheme:

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 to be benefited under this project, over a period of 5 years.

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

The Scheme covers the following aspects:

- a. Technology Upgradation – by State Government through Co-optex.
- b. Formation of Common Facility Centres – SPV 1
- c. Formation of Dye house with ETP facilities -SPV 2
- d. Formation of Marketing/Training/Designing facilities – SPV 3

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 at the cost of Rs.4801.74 Lakhs. (Government of India share Rs.3,998.19 lakhs and Promoters / State Govt / Society share Rs.803.55 lakhs).

So far, the following funds are released to Co-optex.

(Rs. In lakhs)

Phase	Government of India	State	Total
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
<b>Total</b>	<b>2,798.72</b>	<b>308.17</b>	<b>3,106.89</b>

With the above financial assistance, the following components have been procured and distributed to the identified Beneficiary Handloom Weavers.

Sl. No	Components	Total	
		Ordered	Distributed
1.	Pedal Looms	6,876	2,936
2.	Electric Pirn Winding Machine	8,875	5,275
3.	120 Hk Jacquards	6,866	3,866
4.	Dobby Boxes	139	109
5.	Motorised Jacquard Lifting Machine	82	52
6.	Healds and Reeds	9,431	4,429
7.	Battery linked Inverter Lighting System	11,410	7,410
	<b>Total</b>	<b>43,679</b>	<b>24,077</b>

The 3rd phase implementation is under way. The supply of looms and accessories have increased the productivity and wage earning capacity of the weavers.

For creation of Infrastructural facilities in Virudhunagar Mega Handloom Cluster, the following Government agencies have been identified to implement the facilities:

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

## 7. Action Plan 2014-2015

The Action Plan for the year 2014-2015 by Co-optex is proposed as follows:

### 7.1 Higher Sales Target

Co-optex aims to achieve higher retail sales than 2013-2014 by developing more quality designs, value addition, broad basing the products in line with the new trends in the market and by canvassing more orders from Government Departments.

## 7.2 Production and Procurement of Required Varieties

Co-optex procures the goods from the Weavers' Co-operative Societies by giving production plan with the consideration of Production Capacity of Weaver Societies as well as sales potential of Co-optex showrooms. Co-optex is planning to convert the products which are produced over and above the sales potential to other required value added products and adopt various sales strategies to sell these products.

### 7.3 Fashion Show

In order to increase the sale of newly introduced varieties, to create awareness about the traditional Handloom products and to attract the customers, Co-optex proposes to conduct Fashion Shows during 2014-2015.

### 7.4 Revival of Traditional varieties of Tamilnadu

Co-optex plans to revive the traditional products produced by Tamilnadu handloom weavers such as Kodambakkam sarees, kandangi sarees, arrupukottai sarees, sungadi sarees, chinnalapatti

sarees, uraiyur sarees and jayankondam sarees so as to attract the younger generation. This will also facilitate to give continuous employment to those weavers who produce the above varieties and revive the century old tradition of weaving these products.

### **7.5 Training to Marketing Staff**

Training to marketing staff plays an important role in the field of marketing. This year also Co-optex has planned to impart training to marketing staff. This would help them to sharpen their marketing skill and also to improve the skill of reception and handling of customers, thus leading to better customer satisfaction and improve the sale volume of Co-optex.

### **7.6 Computerisation:**

Co-optex will implement the computerisation in all Co-optex showrooms so as to assess the stock position, placing orders with handloom co-operative societies, getting sales particulars on real time basis and supply of required goods to the showrooms, with the financial assistance of Rs.15.85 crores given by

World Bank through Information & Technology Department (DeitY), Government of India, in the next two years. This computerisation programme will facilitate faster introduction of new designs and timely payment to the societies, thereby benefiting the handloom weavers.

### **7.7 Natural Dye Products:**

Co-optex proposes to introduce natural dye products which are not harmful to the human body. Products such as towels, sarees, dhoties and silk sarees will be made available in this category for sale during 2014-2015.

Co-optex proposes to continue the sales promotion schemes of “Buy two Get one Free scheme” and “Kanavu Nanavu Thittam”, during the year 2014-2015 also.

### **8.2 Tamilnadu Handloom Development Corporation Limited, Chennai**

The Tamilnadu Handloom Development Corporation Limited was established in 1964, with the objective of providing financial assistance to

weavers outside the co-operative fold, engaging themselves in manufacturing, trading, marketing of handloom, powerloom and hosiery cloth.

At present the Corporation is having 11841 members. The Corporation now suffers from poor recovery of loans which has resulted in paucity of working capital. Therefore, it has stopped issue of fresh loans to the new weavers. However, repeat loans are sanctioned to the members, who have repaid previous loans.

Out of the paid up share capital of Rs.4.29 crores of the Corporation, the share of the Government of Tamilnadu is Rs.2.67 crores and the remaining share capital of Rs.1.62 crores is paid up by the members. The Corporation has obtained a loan of Rs.3.30 crores being cash credit facility from the State Bank of India. As the Corporation was unable to repay the loan of Rs.2.17 crores availed from the State Bank of Patiala, the Government of Tamilnadu have extended a loan of Rs.2.17 crores for repayment.

With a view to promote the welfare of the handloom weavers, the Corporation has engaged itself in other activities under various welfare schemes. It acts as the implementing agency for 9 handloom cluster development programmes sanctioned under Integrated Handloom Development Scheme and completed the work of first and second years under this scheme. The 3<sup>rd</sup> installment has also been released to the Corporation.

During the year 2013-2014, the Corporation sanctioned loans to the tune of Rs. 42.12 lakhs and collected Rs.115.04 lakhs towards principal and interest.

#### **8.2.1 Action plan for the year 2014-2015**

- The Corporation proposes to sanction repeat loans to 250 members to the extent of Rs.170 lakhs and proposed to collect Rs.170 lakhs towards principal and Rs.120 lakhs towards interest.
- The Corporation has planned to sell Rs.10 crores worth handloom goods to

Railways through Association of Corporations and Apex Societies of Handlooms.

- The Corporation is one among the implementing agencies for handloom clusters sanctioned under Integrated Handloom Development Programme. The Corporation is expecting allocation of more clusters during 2014-2015 as implementing agency.
- The Corporation proposes to sell yarn during the year 2014-2015 at Mill Gate Price through National Handloom Development Corporation to the tune of Rs.170 lakhs.
- The Government have nominated the Tamilnadu Handloom Development Corporation Limited as the State nodal agency for implementing the Rashtriya Swasthya Bima Yojana, a revised Health Insurance Scheme for the benefit of Handloom Weavers.
- The Government have also nominated the Tamilnadu Handloom Development Corporation Limited as nodal agency for

implementing the Integrated Skill Development Scheme.

### **8.3 Co-operative Spinning Mills**

In Tamilnadu 18 Co-operative Spinning Mills were set up between 1958 and 1985 with an installed capacity of 4.70 lakh spindles, with an objective of providing employment to rural weavers families, repatriates, members of Adi-Dravida community and to ensure continuous supply of quality hank yarn at reasonable price to cater to the requirements of the Handloom Weavers Co-operative Societies.

Owing to various factors, like economic recession, market condition, rise in cotton price, obsolete machineries, low productivity and shortage of working capital, the performance of these Co-operative Spinning Mills dwindled over a period and 13 Co-operative Spinning Mills became defunct. Except Ramanathapuram District Co-operative Spinning Mills other 12 Co-operative Spinning Mills were liquidated. At present only 5 Co-operative

Spinning Mills i.e. Anna Co-operative Spinning Mills, Andipatti, Bharathi Co-operative Spinning Mills, Ettayapuram, Kanyakumari District Co-operative Spinning Mills, Aralvoimozhi, Pudukottai District Co-operative Spinning Mills, Aranthangi, and Krishnagiri District Co-operative Spinning Mills, Uthangarai are functioning. A rehabilitation-cum-modernisation programme is being implemented in the 5 functional Cooperative Spinning mills. Ramanathapuram District Cooperative Spinning Mills, Achankulam which was started exclusively for the welfare of members of Adi-Dravida community is proposed to be reopened soon after completion of a full fledged modernisation programme.

The State Government decided to modernise the 5 functional Cooperative Spinning Mills and the South India Textile Research Association (SITRA) was entrusted with the work of preparing the project reports. Accordingly SITRA prepared a project report at a cost of Rs.104.41 crores. Government has sanctioned these funds as given below :-

Sl. No.	Details	Percentage	Amount (Rs. in crores)
1.	Term Loan from National Co-operative Development Corporation	40%	41.76
2.	Share Capital contribution of the State Government	30%	31.33
3.	Subsidy from National Co-operative Development Corporation	20%	20.88
4.	Mills' contribution (loan from State Government)	10%	10.00
<b>Total</b>		<b>100%</b>	<b>104.41</b>

Out of sanctioned project cost of Rs.104.41 crores the Government have so far released a sum of Rs.62.65 crores to the concerned Co-operative Spinning Mills. Orders for purchase of new machineries and disposal of old machineries has been issued. Civil works and dismantling of old machinery are under progress.

Similarly, based on the suggestion given by SITRA, a project report was prepared to modernise and re-open the Ramanathapuram District



Co-operative Spinning Mills at an estimated revised project cost of Rs.18.43 crores and the same was sanctioned. Out of the total sanctioned project cost, 75% of the cost would be borne by TAHDCO as subsidy and balance 25% cost would be contributed by Government as share capital assistance. So far a sum of Rs.691.125 lakhs has been released by TAHDCO as subsidy and the State Government have also released Rs.230.375 lakhs as 50% Government Share Capital. Orders for purchase of new machineries and disposal of old machineries has been issued. Old machineries have been dismantled and removed. Civil works are under progress

### **8.3.1 Achievements During 2013-2014**

- In order to improve the quality of yarn by checking the quality of cotton purchased and yarn produced in the Co-operative Spinning Mills, necessary action has been taken to establish a Common Quality Testing Centre in Anna Co-operative Spinning Mills, Andipatti.

Instruments and equipments required for the laboratory have been purchased through tender at a cost of Rs.65 lakhs including cost of equipments and civil works.

- In all the 5 functional Co-operative Spinning Mills, cash prize of Rs.25,000/- and certificate of merit was given to the best worker selected from each mill to encourage and to enhance the involvement of the workers in the improvement of productivity and quality of yarn in the Co-operative Spinning Mills.
- In all the 5 functional Co-operative Spinning Mills and Tamilnadu Co-operative Textiles Processing Mill, Erode, scholarships were disbursed for a sum of Rs.5,000/-, Rs.3,000/-, and Rs.2,000/- to three children of the workers who scored highest marks in 10<sup>th</sup> Standard and Rs.10,000/-, Rs.7,500/-, Rs.5,000/- to the children who scored highest marks in 12<sup>th</sup> standard. This scheme was implemented at a cost of Rs.1.95 lakhs.

- In the Cooperative Spinning Mills, wage settlement for three years was reached between the Management and Trade Unions to give wage increase to the 1015 workers @ Rs.1800/- per month in all the 5 functional Co-operative Spinning Mills and the wage increase was given with effect from 01.01.2013. The arrears of wages of Rs.2.19 crores has been fully disbursed to all workers in the mills.
- The 5 functional Co-operative Spinning Mills had supplied 2786 metric tonnes of yarn valuing Rs.67.80 crores to the Weavers' Co-operative Societies for production of cloth for distribution of cost free Sarees and Dhoties for Pongal-2014.
- The 5 functional Co-operative Spinning Mills are now actively engaged in the production and supply of 2400 metric tonnes of yarn valuing Rs.60.25 crores to the Weavers' Co-operative Societies for production of cloth for Uniform Scheme for the year 2014-2015.

#### **8.4 Tamilnadu Textile Corporation Limited, Coimbatore.**

The Tamilnadu Textile Corporation was set up in the year 1969 with an objective to revive the sick and closed mills by taking over them, to establish powerloom sheds and also to rejuvenate the textile industry. Two powerloom units one at Aruppukottai and another at Sivagiri with 96 looms each and also at Kurichi near Coimbatore 36 Plain looms are functioning under this Corporation. The Corporation is producing cotton and polyester fabrics varieties. There are 20 staff and 140 workers working in the Corporation.

The Corporation is also producing light brown shirting, maroon top and drill and maroon casement cloth for supply under cost free uniforms scheme. Further they produce uniform fabrics for supply to the State Transport Corporation, Tamilnadu Electricity Board, Co-operative Sugar Mills, Tamilnadu Cements, Aavin and Government Hospitals.

The Corporation holds a prominent position in fulfilling the clothing needs of the State Government institutions.

In the year 2013-2014, the Corporation has effected sales for 287.60 lakh metres of fabrics to the value of Rs.139.83 crores and earned a net profit of Rs.1.38 crores.

#### **8.4.1 Action Plan for 2014-2015**

It is estimated that during the year 2014-2015 the Corporation has proposed to sell 358.15 lakh metres of fabrics to the value of Rs.220.93 crores and expected to earn a net profit of Rs.2.23 crores.

#### **8.5 Tamilnadu Zari Limited, Kancheepuram**

Tamilnadu Zari Limited was started in the year 1974. The company is an ISO 9001- 2008 certified State Public Sector Undertaking company. It is engaged in the manufacture of zari and supply to Silk Weavers Co-operative Societies. The Company tests quality of Zari received from outsourcing by the Co-operative Handloom Societies. The Company also undertakes testing of the quality of Zari and Zari

made fabric by non-destructive testing method through X-Ray Fluorescence Analyser installed at the testing centres at Kancheepuram. There are 8 Staff and 99 workers working in this company.



**Tamilnadu Zari Factory**

During the year 2013-2014, the company produced 19,648 marcs of zari and sold 20,438 marcs to the value of Rs.21.53 crores.

#### **8.5.1 Action Plan for 2014-2015**

- 1) Tamilnadu Zari Limited has planned to produce and sell 2500 marcs per month for the year 2014-2015 and

- 2) Proposed to introduce Voluntary Retirement Scheme for the workers during the year 2014-2015.

#### 8.6 Tamilnadu Co-Operative Textile Processing Mills Limited, Erode

The Tamilnadu Co-operative Textile Processing Mill Limited was established in the year 1973. The mill is undertaking various processing activities such as bleaching, dyeing, mercerising and printing. The mill is an ISO 9001-2008 certified institution providing employment to 19 employees and 281 workers. The mill has the capacity to process about 15 lakh metres of cloth per month. Apart from processing of cloth required for uniform schemes of the Government, the mill undertakes the processing and supply of cloth to Tamilnadu Khadi and Village Industries Board, Handlooms and Powerlooms Weavers Co-operatives Societies, Sarvodaya Sanghs, Central Prison, Coimbatore, Handlooms Development Corporations of Kerala and Karnataka and Private Exporters for processing and printing of fabrics.

The mill is treating the effluents and recycling water by reverse osmosis and reject management system as per the Tamilnadu Pollution Control Board's norms.

The processing details and working results of the mill for the last two years are as follows:-

S. No	Subject	(Units - Meter / Kilogram in lakhs, Value-Rupees in lakhs)			
		2012-2013		2013-2014	
		Units	Value	Units	Value
1.	Bleaching	17.83 Kg	140.46	18.60 Kg	149.69
2.	Dyeing	17.32 Kg	2293.90	18.16 Kg	2259.28
3.	Printing	0.14 M	11.02	0.27 M	19.52
4.	Polyester Cloth Processing	133.55 M	2406.04	136.10 M	2375.41
5.	Cotton Cloth Processing	3.58 M	39.34	3.42 M	53.08
6.	Total Turnover	2445.38		2428.49	
7.	<b>Net Profit</b>	<b>(+) 326.93 (Tentative)</b>		<b>(+)313.00 (Tentative)</b>	

Tamilnadu Co-operative Textile Processing Mills, entered into 12(3) settlement under the Industrial Disputes Act for workers with effect from 01.02.2011. As a result of this settlement, the wage

increase of workers ranged from Rs.2700/- to Rs.3200/-. Thus, 194 workers have been benefited to the extent of Rs.48.00 lakhs.

During the year 2013-2014 the mill processed 139.52 lakh metres of cloth with a turn over of Rs.24.28 crores and the net profit of the mills is estimated as Rs.3.13 crores.

#### **8.6.1 Action Plan for the year 2014-2015**

The mill has proposed to increase its processing capacity per day from 50000 metres to 70000 metres by implementing modernization scheme and extension of reverse osmosis and reject management system. The total outlay of the modernization project works out to Rs.6.90 crores. This work will be completed by availing Rs.5.82 crores from the National Cooperative Development Corporation under Integrated Cooperative Development Programme Scheme (ICDPS) and Rs.1.08 crores from mill's own funds. Orders for purchase of new machinery have been issued and the modernization work is in progress.



**Tamilnadu Co-operative Textile Processing Mill**

### 8.7 Tamilnadu Co-operative Spinning Mills Federation Limited, (TANSPIN) Chennai

In order to regulate the purchase of cotton in Co-operative Spinning Mills, Tamilnadu Co-operative Spinning Mills Federation Limited, (TANSPIN) was established in December 1994. The primary objective of this Federation is to ensure supply of quality cotton at reasonable price to Co-operative Spinning Mills in Tamilnadu by procuring cotton from various Co-operative Institutions, Federations, Cotton Corporation of India, etc. To accomplish this, State Government have sanctioned share capital assistance of Rs.25 crores and cotton revolving fund of Rs.2.07 crores.

TANSPIN has provided a sum of Rs.1.50 crores to five functional Co-operative Spinning Mills as advance through Co-optex for purchase of cotton. Apart from this, a sum of Rs.65 lakhs has also been given as advance directly to the mills for purchase of cotton. TANSPIN earned a net profit of Rs.25.02 lakhs for the year 2013-2014.

### 9. BUDGET PROVISION FOR THE YEAR 2014-2015

A provision of Rs.1030.022 crores has been made in the Budget Estimate for the year 2014-2015 for the Department of Handlooms and Textiles as detailed below:-

Sl. No.	Name of the Scheme	Budget Estimate 2014-2015 (Rs. in lakhs)
1	Cost Free Distribution of Sarees and Dhoties Scheme	49916.00
2	Scheme for supply of Free Electricity to Handloom Weavers	1103.00
3	Scheme for supply of Free Electricity to Powerloom Weavers	24686.05
4	Rebate on Sale of Handloom Cloth	7845.50
5	Marketing Incentive under Comprehensive Handloom Development Scheme	8980.50
6	Cluster Development Programme under Comprehensive Handloom Development Scheme	200.00
7	Group Approach for Development of Handlooms under Comprehensive Handloom Development Scheme	0.01
8	The Co-operative Handloom Weavers' Savings and Security Scheme	1000.00

<b>Sl. No.</b>	<b>Name of the Scheme</b>	<b>Budget Estimate 2014-2015 (Rs. in lakhs)</b>
9	Health Insurance Scheme for Handloom Weavers	545.00
10	Payment of Premium under Mahatma Gandhi Bunkar Bima Yojana	200.00
11	Old Age Pension and Family Pension for Co-operative Handloom Weavers	1819.46
12	Interest Subsidy to Handloom Weavers Co-operative Societies	1050.00
13	Waiver of HUDCO Loan	135.72
14	Assistance for supply of Pedal Looms to Handloom Weavers	800.00
15	Loan to Common Effluent Treatment Plants at Tiruppur	2066.00
16	Grant to Common Effluent Treatment Plants at Tiruppur	0.01
17	Marine Discharge Project	0.01
18	Rent Subsidy for Powerloom Service Centre at Erode	0.24
19	Grant for Establishment of Textile Parks	0.02
20	Revival, Reform and Restructuring Package Scheme for Handloom Sector	0.01
21	Establishment of Enforcement Machinery	178.84

<b>Sl. No.</b>	<b>Name of the Scheme</b>	<b>Budget Estimate 2014-2015 (Rs. in lakhs)</b>
22	Administrative Expenses (including Pay and Allowances of Staff)	2181.97
23	Award Scheme for Best Weaver	1.00
24	Supply of Motorized Warping Machines to the Handloom Weavers Co-operative Societies	80.00
25	Computerisation of 2 Circle Weavers Co-operative Societies by Bio-metric system	7.75
26	Modernisation of Ordinary Powerlooms	80.00
27	Renovation of Record Room and Stationary Room of Directorate	10.00
28	Renovation of Record Rooms of 5 Circles Offices	15.00
29	Replacement of Jeeps to Kancheepuram, Vellore, Madurai and Tirunelveli Circle Offices	23.51
30	Purchase of 100 Ceiling Fans for the Directorate	2.50
31	Installation of Bio-metric attendance system for the Directorate	1.01
32	Replacement of Staff Car at Directorate	8.50
33	Design Development	0.01

<b>Sl. No.</b>	<b>Name of the Scheme</b>	<b>Budget Estimate 2014-2015 (Rs. in lakhs)</b>
34	Purchase of 20 new Computers and Accessories and one Laptop for the Directorate	10.50
35	Grants to Co-operative Spinning Mills	0.01
36	Share Capital Assistance to Co-operative Spinning Mills	0.01
37	Ways and Means Advances / Loans to Co-operative Spinning Mills	0.05
38	Grants to Tamilnadu Handloom Weavers Co-operative Society Ltd. (Co-optex)	54.01
<b>TOTAL</b>		<b>103002.20</b>

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