

HANDLOOMS

Handloom Industry in the Union Territory which is next to agriculture is a source of livelihood for about thousands of people and it has tremendous potential and weaver cooperatives have been organised to ameliorate the economic condition of the weavers by extricating them from the clutches of the master weavers and to bring the weavers above the poverty line. At present the Pondicherry Weaver Cooperative Society [PONTEX], Pondicherry Cooperative Handloom Export Development Project [PONFAB] and 13 primary Weaver Cooperative Societies are functioning in the Union Territory . Two Cooperative Spinning Mills one at Pondicherry and another at Karaikal are taking care to supply the entire needs of yarn to the handloom weavers through the 14 Primary Weaver Cooperatives, apart from sales in the outside market. The Handloom Development Programme aims at strengthening the structure of weaver cooperative societies, improving the quality of handloom fabrics, modernisation of the handloom, upgradation of the weaving skills of the craftsmen ,creation of more processing facilities. Further Market Development Assistance is given to facilitate the sale of handloom products. Assistance to PONTEX/PONFAB for modernisation of showroom, for market study in foreign countries for the export of fabrics, purchase of yarn at concessional rate is contemplated during the Tenth Plan. Working capital assistance has been proposed for two Cooperatives, Spinning Mills for business expansion, new business activities and better performance. In addition to the handloom development, welfare schemes such as pension, issue of free house sites, clothing, health package, assistance to women weavers during prenatal / post-natal period are also implemented.

OUTLAY AT A GLANCE

Sector : HANDLOOMS
Department : CO-OPERATIVE

No. of Schemes : 3

(Rs. in lakhs)

Ninth Five Year Plan 1997-02 Approved Outlay	:	2300.00
Annual Plan 1997-2000 Actual Expenditure	:	1391.22
Annual Plan 2000-01 Actual Expenditure	:	513.66
Annual Plan 2001-02 Approved Outlay	:	395.00
Annual Plan 2001-02 Revised Outlay	:	402.00
Tenth Five Year Plan 2002-07 Proposed Outlay	:	2500.00
Annual Plan 2002-03 Proposed Outlay	:	450.00

(Rs. in lakhs)

Sl. No	Name of the Scheme	2000-01 Actual Expenditure	2001-02 Approved Outlay	2001-02 Revised Outlay	2002-07 Proposed Outlay	2002-03 Proposed Outlay
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Handloom Development Scheme	339.65	221.00	228.00	1000.00	250.00
2.	Handloom Weavers Welfare Scheme	61.51	49.00	49.00	400.00	50.00
3.	Investment Assistance to Cooperative Spinning Mills for Business Expansion, New Business activities and better performance	112.50	125.00	125.00	1100.00	150.00
Total		513.66	395.00	402.00	2500.00	450.00

Sector : HANDLOOMS

Implementing
Department : COOPERATIVE1. **Name of the Scheme** : Handloom Development Scheme2. **Objective of the Scheme** :

The scheme is to extend financial assistance to PONTEX and 14 Primary Weavers Cooperative Societies as follows:

(Rs. in lakhs)

3. **Ninth Plan 1997 – 02** :a. **1997 – 2000 (Actual expenditure)** : 745.12b. **2000 – 2001 (Actual expenditure)** : 339.65c. **2001 – 2002 (Revised Outlay)** : 228.00d. **Actual Physical Achievement (1997 – 2000)** :

One Apex & 14 Primary Weavers Cooperatives

e. **Actual Physical Achievement (2000 – 01)** :

One Apex & 14 Primary Weavers Cooperatives

f. **Anticipated Physical Achievement (2001 – 02)** :

One Apex & 14 Primary Weavers Cooperatives

4. **Proposed Outlay for the Tenth Plan 2002 – 07** : 1000.00**Proposed Outlay for the Annual Plan 2002 – 03** : 250.005. **Programme envisaged for the Tenth Plan (2002-07)** :

One Apex & 14 Primary Weavers Cooperatives

6. **Programme envisaged for the Annual Plan (2002-03)** :

One Apex & 14 Primary Weavers Cooperatives

7. **Remarks** : Continuing Scheme.**Pattern of assistance :**

1. Working capital Assistance to Handloom Weavers Cooperative Societies
2. Assistance for purchase of weaving appliances:

The scheme aim at modernization of looms for improving the quality of handloom cloth and for reducing the manual labour for the weavers. The modernization includes the spares and consumables of the weaving Appliances. The assistance is in the form of 75% grant and 25% loan. The loan shall be recoverable in 4 equal instalments together with interest commencing from the 1st anniversary of the date of drawal.

2. Contributory Thrift Fund:

The scheme is intended for providing financial assistance at the old age of the weaver-members. The fund is constituted by means of weavers' contribution at 8 paise per rupee of his wages and Government contribution at 8 paise per rupee. The assistance will also be given proportionately to those weavers who contribute below 8% of their wages as thrift. However it will be ensured that the assistance is not given more than 8% for each weaver. The total accumulation is credited in the Pondicherry State Coop. Bank, in a separate account.

4. Subsidy towards staff salary, rent and furniture:

The scheme aims at providing assistance to the newly formed weavers cooperative societies at the initial stages to meet the cost of staff salary, rent and furniture as the society may not generally get adequate income to bear the expenditure on these items. Staff salary and rent is restricted to a subsidy of Rs.1.00 lakh per society spread over a period of 4 years on a sliding scale of 100%, 75%, 50%, 25%. The assistance for furniture is restricted to Rs.5,000/- per society.

5. Construction of office-cum-godown workshed / purchase of site/ additional worksheds / improvements to worksheds :

The scheme aims at enabling the Weavers Cooperative Societies to have own building for the office-cum-godown/worksheds:

For purchase of site	:	Maximum limit is Rs.4.00 lakhs. 25% loan and 75% subsidy.
For construction of office-cum-godown	:	-do-
For construction of workshed /additional workshed / improvements to worksheds	:	-do-

The loan is recoverable in 7 annual equal instalments with a moratorium of one year for the repayment of loan instalments. The assistance for purchase of site can also be given as reimbursement of the expenditure incurred by the society in this regard, since, the societies cannot wait for the sanction of the Government assistance before finalisation of the purchase.

6. Assistance to write-off irrecoverable dues of members:

To compensate the loss arising out of irrecoverable dues such as cash advance, sets outstanding, etc., owing to the circumstances like the death or when the whereabouts of the weavers is not known.

7. Interest subsidy on working capital:

The Scheme is to provide 3% Interest Subsidy on working capital loan lend by the P.S.C. Bank to the PONTEX and 14 Primary Weavers Co-operative Societies, 3% interest should be reimbursed directly to the PONTEX and 14 Primary Weavers Co-operative Societies from the Government.

8. Opening of Retail Sales Depots :

i) For furniture and fixtures, subject to a maximum of Rs.150,000/- at A1, B1 and B2 cities and Rs.100,000/- in other cities.25% loan and 75% subsidy. Loan will be recoverable in 7 years.

ii) Subsidy towards rent and salaries to the staff for the initial period of 4 years on a tapering basis of 100%, 75%, 50% and 25% subject to a ceiling of Rs.150,000/- in aggregate.

9. Contribution to Handloom Development Fund for Apex Society:

The assistance will be in the form of 100% grant in order to provide consumption credit to weaver members of the primaries. The assistance will also be extended from this fund for purchase of housing plot.

10. Purchase of site/extension of office building/extension or construction of additional godowns and construction of complex for business expansion and office by Pondicherry State Weavers Cooperative/Weavers Society/PONFAB :

The scheme aims at enabling the Pondicherry State Weavers Cooperative Society/Weavers Cooperative Society to purchase site and construction of additional godown / extension of office and construction of marketing complex. The assistance will be in the form of 25% loan and 75% grant subject to a maximum of Rs.25.00 lakhs including the site cost to PONTEX Loan will be recoverable in 15 years and Rs.10.00 lakhs in the case of Primary Weavers Cooperative societies recoverable in 15 years.

11. Purchase of van/lorry and generator by Pontex and Ponfab:

Assistance will be given in the form of 75% grant and 25% loan subject to a maximum of Rs.4.00 lakhs for van/lorry and 100% grant subject to maximum of Rs.50,000/- for generator to Ponfab/Pontex. If the cost of generator exceeds Rs.50,000/- the assistance will be for the entire cost of the equipment on the basis of 25% loan and 75% grant. The loan is recoverable in 4 years

12. Assistance to Pontex and Ponfab for Market study of Export of fabrics:

The scheme aims to assist the Pontex and Ponfab to undertake the market study in foreign countries and to obtain export orders for handloom fabrics. The assistance is in the form of 100% grant.

13. Production incentive to weavers:

In order to increase Handloom production and to encourage the Handloom weavers to be in the traditional profession of weaving, assistance in the form of incentive is necessary. It will help to increase production of more handloom cloth . The incentive will be paid to the members of the Primary weavers cooperative societies through Pondicherry State Weavers Cooperative Society and to the members of Pondicherry Cooperative Handloom Export Development Project. An incentive of 10% for pitloom varieties and 5% on frameloom varieties on the production value of the Handloom Goods made during the previous year will be paid as Government assistance. The incentive will be paid to the members of Weavers Cooperative Societies on the basis of the wages earned by them, during the previous year .

14. Setting up of Processing-cum-yarn dyeing unit:

The assistance for the purchase of machineries/ vessels accessories modernization to the existing yarn processing-cum-yarn dyeing unit / for setting up of a new yarn processing-cum-yarn dyeing unit is on cent percent grant basis in the case of machineries cost of which does not exceed Rs.50,000/- and on 75% grant and 25% loan basis in the case of machineries cost of which exceeds Rs.50,000/-.

15. Market Development assistance for Pondicherry State Weavers Cooperative Society (Apex Society), Pondicherry Cooperative Handloom Export Development Project and to Primary Weavers Cooperative Societies:

Reimbursement of the actual rebate/discount allowed on the following pattern:

a) The Market Development Assistance sanctioned by the Government shall be utilised only for rebate/discount and other consumer incentives on the sale of handloom products only.

b) The sale of cloth in a bill upto gross value of Rs.3000/- or the actual gross value of one unit which ever is higher will be termed as retail sales.

c) The sale rate for Rs.3000/- and above in godowns will be termed as wholesale.

d) Special retail rebate of 25% shall be allowed on all days of the year in all show rooms of PONTEX & PONFAB and in the Primary weavers Coop. Societies and also for the sales effected in all Exhibitions/Fairs/Expos/Special Bazaars etc.

e) Wholesale rebate/Discount @ 25% shall be allowed for wholesales throughout the year.

The Market Development Assistance may be granted as advance to the societies on the following pattern :

80% of the value of the rebate on the gross sales value of the previous year will be given as advance during the current financial year.

The advance Market Development Assistance will be deducted while actual rebate claims are submitted.

16. Hankyarn Subsidy to PONTEX & PONFAB :

The assistance will be given to PONTEX & PONFAB in the form of subsidy @ 10% on the total purchase of yarn made by them from the National Handloom Development Corporation, National Textile Corporation and from any other Cooperative Spinning Mills.

Scheme No. : 2

Sector : HANDLOOMS

Implementing
Department : COOPERATIVE

- 1. Name of the Scheme** : Weavers Welfare Scheme
- 2. Objective of the Scheme** :

The Scheme is to extend 1).financial assistance in the form of grant to the Apex Society which will be utilised for social welfare measures. To provide assistance to weavers in the form of grant for taking shares in the weavers cooperative societies.. To provide assistance to the weavers during rainy season. To provide assistance to the women members/wives of male members during pre-natal/post-natal period.. To provide assistance for training of weavers and appraisers Payment of additional stipend to the trainees at IIHT, Salem/ Venkatagiri.

- | | | (Rs. in lakhs) |
|-----------|---|----------------|
| 3. | Ninth Plan 1997 – 02 | |
| | a. 1997 – 2000 (Actual expenditure) | : 115.85 |
| | b. 2000 – 2001 (Actual expenditure) | : 61.51 |
| | c. 2001 – 2002 (Revised Outlay) | : 49.00 |
| | d. Actual Physical Achievement (1997 – 2000) | : |
| | Members of 14 Primary Weavers Cooperatives | |
| | e. Actual Physical Achievement (2000 – 01) | : |
| | Members of 14 Primary Weavers Cooperatives | |

f. Anticipated Physical Achievement (2001 – 02) :

Members of 14 Primary Weavers Cooperatives

4. Proposed Outlay for the Tenth Plan 2002 – 07	:	400.00
Proposed Outlay for the Annual Plan 2002 – 03	:	50.00

5. Programme envisaged for the Tenth Plan (2002-07) :

Members of 14 Primary Weavers Cooperatives

6. Programme envisaged for the Annual Plan (2002-03) :

Members of 14 Primary Weavers Cooperatives

7. Remarks : Continuing Scheme.

Pattern of assistance will be as follows:

1) Handloom Weavers Welfare Fund:

Grants will be released under the scheme to the Apex Society to be deposited in a separate Account in the name of "Handloom Weavers Welfare Fund Account" from which assistance can be released to the legal heirs of such weavers who die in harness.

The assistance can also be utilised for payment of the grants / assistance /implementation of the following to the members of the Handloom Weavers Cooperatives.

1. Premium for any Group Insurance linked scheme
2. Issue of free house-sites to the Handloom Weavers
3. Pension scheme to the Handloom Weavers
4. Grant for purchase of spectacles and testing of eye sight.
5. Incentive for those who underwent operation for family planning
6. Reimbursement of expenditure incurred for issue of free dhothies / sarees to Handloom weavers .
7. Health package scheme for Handloom weavers

2. Share Capital grant to weavers:

The scheme aims at providing issue of share capital grant to weaver members for taking shares in the societies. This will raise the level of share holding of member and the sharecapital structure of the society will also be strengthened. The grant will be restricted to 75% of the value of shares taken by the members subject to a maximum of Rs.200/- per weaver.

3) Assistance to women members of weavers cooperatives societies during pre-natal and post-natal period:

To help the women members by providing a subsidy amount of Rs.1,500/- as a social welfare measure. The assistance is applicable only up to 2 children.

4) Grant to weavers during rainy season:

The weavers are required to pay Rs.250/- from wages at Rs.25/- per month for 10 months and Govt. assistance will be made at a rate thrice the contribution of weavers. The entire accumulation of Rs.1000/- will be paid as assistance to weavers for two months during the rainy season at Rs.500/- per month (i.e., October and November for Pondicherry and Karaikal Regions and July and August for Mahe Region). Eventhough the weavers have contributed less than 10 months due to their ill health, assistance will also be given to them proportionately provided that they should contribute atleast for 7 months.

5) State Government contribution to new insurance scheme for weavers.

It is proposed to grant the State Government contribution at the rate of Rs.40.00 per weaver for 2100 weavers during the year of grant to the Apex Society to be deposited in a separate account namely Weavers Welfare Fund which will be utilised for the social welfare measures.

Scheme No. : 3

Sector : HANDLOOMS

Implementing
Department : COOPERATIVE

1. **Name of the Scheme** : Investment Assistance to Cooperative Spinning Mills for Business Expansion, New Business activities and better performance

2. **Objective of the Scheme** :

The scheme aims at providing financial assistance to the Jayaprakash Narayan Cooperative Spinning Mill at Karaikal and Pondicherry Coop. Spinning Mill in the form of Working Capital. Another significant object of the scheme is to create employment for the people in the rural areas of the Pondicherry Region and also to make use of the locally available cotton.

(Rs. in lakhs)

3. **Ninth Plan 1997 – 02** :

a. 1997 – 2000 (Actual expenditure)	:	530.25
b. 2000 – 2001 (Actual expenditure)	:	112.50
c. 2001 – 2002 (Revised Outlay)	:	125.00
d. Actual Physical Achievement (1997 – 2000)	:	2 Spinning Mills

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|----|--|---|---|
| e. | Actual Physical Achievement (2000 – 01) | : | 2 Spinning Mills |
| f. | Anticipated Physical Achievement (2001– 02): | : | 1 Spinning Mill |
| 4. | Proposed Outlay for the Tenth Plan 2002 – 07 | : | 1100.00 |
| | Proposed Outlay for the Annual Plan 2002 – 03 | : | 150.00 |
| 5. | Programme envisaged for the Tenth Plan (2002-07) | : | 2 Spinning Mills |
| 6. | Programme envisaged for the Annual Plan (2002-03) | : | 2 Spinning Mills |
| 7. | Remarks | : | Continuing Scheme with change in nomenclature |

Pattern of assistance contemplated is as follows:

To provide financial assistance to The Jayaprakash Narayan Cooperative Spinning Mill at Karaikal and Pondicherry Coop. Spinning Mill so as to enable them to increase their working capital for expansion programme.