

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 State Weaver Cooperative Society [PONTEX], Pondicherry Cooperative Handloom Export Development Project [PONFAB], 13 primary Weaver Cooperative Societies and one Pondicherry Cooperative Textile Processing Society Ltd. are functioning in the Union Territory. Two Cooperative Spinning Mills one at Pondicherry and the other at Karaikal which 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.

Working capital assistance to the Two Cooperative Spinning Mills (i.e) one at Pondicherry and the other at Karaikal for business Expansion, New business activities and better performance. In addition to the Handloom Development Scheme, Schemes such as assistance to women weaver during Pre-natal/Post-natal period, assistance to weaver during rainy season, pension to weavers, issue of free house-sites to the houseless weavers, assistance for checking eyesight and for purchase of spectacles and other health package scheme, issue of free dhothies, sarees, and educational allowance to the children of weavers assistance to promote small family norms among handloom weavers are covered under weavers welfare scheme.

All the development schemes aim to assist PONTEX and PONFAB while the welfare schemes are to assist the members directly by granting pension, medical allowance, rainy season subsidy, pre-natal post- natal subsidy to women members, educational allowance to the children of weavers, etc., are to be continued in the Annual Plan 2004-05. Similarly, both the Cooperative Spinning Mills are to be assisted for investment assistance for business expansion, new business activities and better performance and for modernization of machinery.

OUTLAY AT A GLANCE

Sector : HANDLOOMS

No. of Schemes : 3

Department : CO-OPERATIVE

(Rs. in lakh)

Tenth Plan 2002-07 Approved Outlay	:	1800.00
Annual Plan 2002-03 Actual Expenditure	:	501.86
Annual Plan 2003-04 Approved Outlay	:	470.00
Annual Plan 2003-04 Revised Outlay	:	701.69
Annual Plan 2004-05 Proposed Outlay	:	2667.00

(Rs. in lakh)

Sl. No.	Name of the Scheme	2002-03	2003-04		2004-05
		Actual Expenditure	Approved Outlay	Revised Outlay	Proposed Outlay
(1)	(2)	(3)	(4)	(5)	(6)
1.	Handloom Development Scheme	269.71	225.50	414.69	1861.00
2.	Handloom Weavers Welfare Scheme	82.15	90.00	127.00	206.00
3.	Investment Assistance to Cooperative Spinning Mills for Business Expansion, New Business activities and better performance	150.00	154.50	160.00	600.00
Total		501.86	470.00	701.69	2667.00

Scheme No. 1

Sector : HANDLOOM

Implementing Department : CO-OPERATIVE

- 1. Name of the Scheme** : Handloom Development Scheme
- 2. Objective of the Scheme** :

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

- i. Working Capital assistance
- ii. Assistance for purchase of weaving appliances
- iii. Contributory Thrift Fund
- iv. Subsidy towards staff salary, rent and furniture for New Branches/Society
- v. Construction of office-cum-godown/workshed
- vi. Assistance to write-off irrecoverable dues of members
- vii. Interest subsidy on working capital
- viii. Opening of Retail Sales Depots
- ix. Contribution to Handloom Development Fund for Apex society
- x. Purchase of site/extension of Office Building/extension or construction of additional godowns and Construction of Complex by PONTEX/PONFAB
- xi. Purchase of van/ lorry and generator
- xii. Assistance to PONFAB/PONTEX for Market study and for Export of Fabrics
- xiii. Production Incentive to weavers
- xiv. Setting up of Processing-cum-Yarn Dyeing Unit
- xv. Market Development assistance on sale of Handloom Cloth.
- xvi. Hankyarn Subsidy to PONTEX/PONFAB
- xvii. Publicity and Propaganda
- xviii. Participation of Weavers Cooperative Societies in Exhibitions
- xix. Purchase of Computers/Fax/Xerox machine
- xx. Assistance to PONTEX for setting up of Design Development Cell.
- xxi. Assistance to PONTEX/PONFAB for All India Handloom Fortnight Celebration.
- xxii. Assistance for extension of Office-cum-godown/additional Workshed

3.(a) Actual physical Achievement 2002-03 :

One Apex & 14 Primary Weavers Cooperatives

(b) Anticipated Physical Achievement 2003-04 :

One Apex & 14 Primary Weavers Cooperatives

(c) Programme envisaged for Annual Plan 2004-05 :

One Apex & 14 Primary Weavers Cooperatives and one Pondicherry Cooperative Textile Processing Society Ltd.

- 4. Remarks** : Continuing scheme

PATTERN OF ASSISTANCE

1. Working capital Assistance to Handloom Weavers Cooperative Societies

2. Assistance for purchase of weaving appliances:

The scheme aims 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.

3. 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-go down /work shed /purchase of site/ additional work sheds / improvements to work sheds:

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 8% Interest Subsidy on working capital loan lent by the P.S.C. Bank to the PONTEX and 14 Primary Weavers Co-operative Societies, 8% interest should be reimbursed directly to the PONTEX and 14 Primary Weavers Co-operative Societies from the Government (Change in pattern of assistance).

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 Society/PONFAB :

The scheme aims at enabling the Pondicherry State Weavers Cooperative Society / PONFAB 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. Loan will be 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 for 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 for 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/-. The loan is recoverable in 5 years.

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 so released will be deducted, from the actual rebate claims at the time of settlement.

16. Hank yarn 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.

17. Publicity and Propaganda :

The scheme is intended to provide financial assistance to the Pondicherry State Weavers' Cooperative Society and Pondicherry Cooperative Handloom Export Development Project to meet the expenditure incurred by them towards publicity of handloom goods by way of cent per cent subsidy. The assistance should not exceed 5% value of the handloom produced by the primaries/PONFAB during the previous year.

18. Participation of weavers cooperative societies in Exhibition:

100% subsidy for expenditure incurred in the participation in State level Exhibition/Fair to a maximum of Rs.50,000/- and in National and International Exhibition/Expo/Fair to a maximum of Rs.100,000/-.

19. Assistance to PONTEX and PONFAB for purchase and installation of Computers / Fax / Xerox machine:

In order to enable the societies to have better inventory control and for better management it is proposed to assist the societies to purchase and install computer. In order to enable the societies to have quick business correspondence it is proposed to assist the societies to purchase and install FAX machine and Xerox machine.

The above assistance will be in the form of 100% grant for purchase and installation of computer upto a maximum amount of Rs.4.00 lakhs will be paid.

For purchase and installation of Fax a maximum amount of Rs.1.00 lakh will be paid.

20. Assistance to set up Design Development Cell in PONTEX:

In order to introduce new and enriched designs in handlooms so as to make them more popular among the public and to attract better marketing it is proposed to assist the PONTEX being an apex society, a computer Aided Design System for setting up of Design Development Cell at a cost of Rs.10.00 lakhs on cent percent subsidy basis. The cost of engaging a consultant(Technical Designer) and incidental expenditure, development charges may be reimbursed subject to a maximum of Rs.2.00 lakhs per year.

21. All India Handloom Fortnight Celebration:

Assistance will be given in the form of 100% subsidy subject to a maximum of Rs.2.00 lakhs to the Apex society.

22. Extension of office-cum-godown of societies:

The scheme aims at enabling the Weavers' Cooperative Societies to extend the construction of existing office-cum-godown building to accommodate the entire office staff. The assistance will be in the form of 25% loan and 75% grant subject to a maximum of Rs.6.00 lakhs. The loan will be recoverable in 15 years.

Scheme No. 2

Sector : HANDLOOM

Implementing Department : CO-OPERATIVE

1. **Name of the Scheme** : Handloom Weavers Welfare Scheme
2. **Objective of the Scheme** : The Scheme is to extend
 - i. Financial assistance in the form of grant to the Apex Society which will be utilised for social welfare measures.
 - ii. To provide assistance to weavers in the form of grant for taking Workings in the weavers cooperative societies.
 - iii. To provide assistance to the women members/wives of male members during pre-natal/post-natal period.
 - iv. To provide assistance to the weavers during rainy season.
 - v. State Government contribution to new insurance scheme for weavers
 - vi. To provide assistance for training of weavers and appraisers
 - vii. Payment of additional stipend to the trainees at IIHT.
 - viii. Educational allowance to the children of weavers

3.(a) Actual physical Achievement 2002-03 :

Members of 14 Primary Weavers Cooperatives

(b) Anticipated Physical Achievement 2003-04 :

Members of 14 Primary Weavers Cooperatives

(c) Programme envisaged for Annual Plan (2004-05) :

Members of 14 Primary Weavers Cooperatives and Pondicherry Cooperative Textile Processing Society Ltd.

4. **Remarks** : Continuing scheme

PATTERN OF ASSISTANCE :

- 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.

- a) Premium for any Group Insurance linked scheme
- b) Issue of free house-sites to the Handloom Weavers
- c) Pension scheme to the Handloom Weavers
- d) Grant for purchase of spectacles and testing of eye sight.
- e) Incentive for those who underwent operation for family planning
- f) Reimbursement of expenditure incurred for issue of free dhothies/ sarees to Handloom weavers
- g) 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 share capital 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). Even though 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 at least 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.

6) Assistance for training of weavers and appraisers:

i) Stipend in respect of 10 trainees for training given by weavers Training Centre, Madras for four months training at Rs.1,000/- per month.

$$10 \times 4 \times \text{Rs.}1,000/- = \text{Rs.}40,000/-$$

ii) The entire cost of each training course to weavers and appraisers conducted by PONTEX will be given as grant to apex society in the following scale:

Stipend – Rs.750/- per month per weaver

Salary – For instructor who will be the experienced weaver to be selected by the PONTEX – Rs.1,200/- per month

Cost of yarn and other preparative work per course- Rs.3, 000/- - Period of Training Course 2 months, subject to a maximum of 4 training courses during the year.

The no. of trainees for each training course will be 30 weavers.

7. Payment of additional stipend to the trainees who are undergoing training at Indian Institute of Handloom Technology, Salem and at Venkatagiri, Nellore Dist., Andhra Pradesh and Gadag, Betgiri, Karnataka State at the rate of Rs.300/- per month per student in the form of 100% grant for 10 month. And in case of IIHT, Gadag-Betgiri students admitted from the year 1998-99. It includes a balance stipend of two students for 1998-99.

8. Educational allowance to the children of weavers (New component):

With a view to eradicating child labour at least in cooperative handloom sector and providing the children of the weavers the facilities for education and to enjoy the happiness of childhood along with the children of families placed in better conditions, the children of the weavers will be paid financial assistance to Working the expenses incurred by the weavers in providing education to their children, as detailed below:

- a. From 1st to 8th Std : Rs.200/- p.a
- b. From 9th Std to 12th Std : Rs.400/- pa.
- c. For college studies : Rs.1000/- p.a

Scheme No. 3

Sector : HANDLOOMS

Implementing Department : CO-OPERATIVE

1. **Name of the Scheme** : Investment Assistance to Co-operative Spinning Mills, 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.

3.(a) **Actual physical Achievement 2002-03** : 2 Spinning Mills

(b) **Anticipated Physical Achievement 2003-04** : 2 Spinning Mills

(c) **Programme envisaged for Annual Plan (2004-05)** : 2 Spinning Mills

4. **Remarks** : Continuing scheme

PATTERN OF ASSISTANCE :

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