

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 potentials. The 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 of Puducherry . Two Cooperative Spinning Mills one at Pondicherry and the other at Karaikal which are taking care of supplying 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 Programmes aim 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 and creation of more processing facilities. Further Market Development Assistance is given to facilitate the sale of Handloom products. Assistance to PONTEX/PONFAB for modernization of Showroom, for market study in foreign countries for the Export of handloom fabrics, purchase of yarn at concessional rate is contemplated during the Eleventh Five Year Plan period . Working capital assistance is extended to the Two Cooperative Spinning Mills for business Expansion, Modernisation-cum-Rehabilitation Programmes, New business activities and better performance. In addition to the Handloom Development Scheme, Schemes such as assistance to weaver during rainy season, pension to weavers, grant of assistance to purchase house-sites to the houseless weavers , issue of free dhothies and sarees, assistance to promote small family norms among handloom weavers, E.S.I. coverage and Insurance Scheme are covered under weavers welfare scheme .

Handloom development Schemes, Weavers Welfare Schemes and budgetary support to Cooperative Spinning Mills were implemented during the Tenth Plan. The Handloom Development Schemes are aimed to assist PONTEX and PONFAB while the welfare schemes are to assist the members directly by granting pension, rainy season subsidy, E.S.I. coverage and Mahatma Gandhi Bunkar Bima Yojana Insurance Scheme etc. All the three schemes, which are being implemented under the Handloom Sector will be continued during the period of the XI Five Year Plan. Similarly, both the Cooperative Spinning Mills are to be assisted for investment assistance for business expansion, new business activities, Modernization-cum-Rehabilitation and better performance of the Spinning Mills.

OUTLAY AT A GLANCE

Sector : HANDLOOMS

No. of Schemes : 3

Department : CO-OPERATIVE

(Rs. in lakh)

Tenth Plan 2002-07 Actual Expenditure	:	5234.50
Annual Plan 2006-07 Actual Expenditure	:	1289.95
Eleventh Plan 2007-12 Approved Outlay	:	13807.36
Annual Plan 2007-08 Approved Outlay	:	1290.00
Annual Plan 2007-08 Revised Outlay	:	1290.00
Annual Plan 2008-09 Proposed Outlay	:	1550.00

(Rs. in lakh)

Sl. No.	Name of the Scheme	Annual Plan 2006-07	Annual Plan 2007-08		Annual Plan 2008-09
		Actual Expdr.	Approved Outlay	Revised Outlay	Proposed Outlay
(1)	(2)	(3)	(4)	(5)	(6)
1	Handloom Development Scheme	800.00	800.00	800.00	900.00
2	Handloom Weavers Welfare Schemes	140.00	140.00	140.00	150.00
3	Investment Assistance to Coop. Spinning Mills for Business Expansion, New Business activities and better performance	349.95	350.00	350.00	500.00
TOTAL		1289.95	1290.00	1290.00	1550.00

Scheme No. 1

Sector : HANDLOOMS

Implementing : CO-OPERATIVE
Department

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 and one Pondicherry Cooperative Textile Processing Society Ltd. and Cooperative Spinning Mills

3.(a) **Actual physical Achievement 2006-07** :

One Apex & 14 Primary Weavers Cooperatives and one Textile Processing Society

(b) **Anticipated Physical Achievement 2007 - 08** :

One Apex & 14 Primary Weavers Cooperatives and one Textile Processing Society

(c) **Programme envisaged for Annual Plan 2008-09** :

One Apex , 14 Primary Weavers Cooperatives, one Textile Processing Society Ltd. and two spinning mills

4. **Remarks** : Continuing scheme with new components

PATTERN OF ASSISTANCE

1. **Working capital Assistance :**

Working capital Assistance in the form of Share Capital to Handloom Weavers Cooperative Societies.

2. **Assistance for purchase of weaving appliances:**

The scheme aims at modernization of existing looms for improving the quality of handloom cloth and for reducing the manual labour for the weavers and also purchase of new modern handlooms. 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 is recoverable along with interest as per the terms and condition of the Government rules existing then and there at the time 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 12 paise per rupee of his wages and Government contribution at 12 paise per rupee. The assistance will also be given proportionately to those weavers who contribute below 12% of their wages as thrift. However it will be ensured that the assistance is not given more than 12% 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 / Additional Office-cum-godown/ Workshed / Improvements to Office-cum-godown / Workshed / Purchase of site :

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

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|---|---|--|
| i) For purchase of site | : | Maximum limit is Rs.10.00 lakhs
25% loan and 75% subsidy. |
| ii) For construction of
Office-cum-godown/workshed | : | Maximum limit is Rs.10.00 lakhs
25% loan and 75% subsidy. |
| iii) For construction of additional
Office-cum-godown/workshed | : | Maximum limit is Rs.10.00 lakhs
25% loan and 75% subsidy. |
| iv) For improvements to
Office-cum-godown/workshed | : | Maximum limit is Rs.6.00 lakhs
25% loan and 75% subsidy. |

The loan is recoverable along with interest as per the terms and condition of the Government rules existing then and there at the time of drawal. 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 Pondicherry State Coop. Bank and any other financial institution to the PONTEX and 14 Primary Weavers Co-operative Societies. 8% interest shall be reimbursed directly to the above said Institutions 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.1,50,000/-, 25% loan and 75% subsidy. The loan is recoverable along with interest as per the terms and condition of the Government rules existing then and there at the time of drawal.
- 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.1,50,000/- 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/construction of office building/godown; additional Construction of office building/ godowns; Construction and purchase of complex for business expansion bys PONTEX / PONFAB / TEXPRO / Spinning Mills:

The scheme aims at enabling the PONTEX / PONFAB / TEXPRO / Spinning Mills to purchase of site/construction of office building/godown/ additional office building / godowns / Construction and purchase of marketing complex. The assistance will be in the form of 25% loan and 75% grant subject to a maximum of Rs.100.00 lakhs including the site cost. The loan is recoverable along with interest as per the terms and condition of the Government rules existing then and there at the time of drawal.

11. Purchase of van/lorry and generator by PONTEX, PONFAB and TEXPRO:

Assistance will be given in the form of 75% grant and 25% loan subject to a maximum of Rs.5.00 lakhs for van / lorry and 100% grant subject to maximum of Rs.50,000/- for generator to PONTEX / PONFAB / TEXPRO. 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% on the production value of the Handloom Goods made during the previous year will be paid as Government assistance. The incentive will be paid at a certain percentage announced by the Government subject to a maximum of Rs.5,000/- per individual member 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.2.00 lakhs, and at 75% grant and 25% loan basis in the case of machineries cost of which exceeds Rs.2.00 lakhs. The loan is recoverable in 10 years.

15. Market Development assistance to PONTEX (Apex Society), PONFAB and 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 up to gross value of Rs.7500/- or the actual gross value of one Bill which ever is higher will be termed as retail sales.
- c) The sale rate for Rs.7500/- 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. 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, TEXPRO 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 in respect of advertisement through dailies, Banner, Poster, Calendar, Medias, Handbills and pamphlets towards publicity of handloom goods by way of cent percent subsidy. The assistance should not exceed 2% value of the handloom goods produced by the Primaries in respect of PONTEX and 2% of the value of goods produced by 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.75,000/- and in National and International Exhibition/Expo/Fair to a maximum of Rs.1,25,000/-.

19. Assistance to PONTEX, PONFAB, TEXPRO and Primary Weavers Coop. Societies for purchase and installation of Computers / Fax / Xerox machine:

In order to enable the societies to have better inventory control, better management and to have quick business correspondence it is proposed to assist the societies to purchase and install computer Software, FAX machine and Xerox machine. The above assistance will be in the form of 100% grant for purchase and installation of computer. For purchase and installation of Fax machine / Xerox machine a maximum amount of 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.2.50 lakhs to the Apex society.

22. Extension of office-cum-godown:

The scheme aims at enabling the Weavers' Cooperative Societies including PONTEX/PONFAB/TEXPRO/ Spinning Mills to extend the construction of existing office / godown building to accommodate the entire office staff and stock goods. The assistance will be in the form of 25% loan and 75% grant subject to a maximum of Rs.50.00 lakhs. The loan is recoverable along with interest as per the terms and condition of the Government rules existing then and there at the time of drawal. **(Change in pattern of assistance)**

23. Assistance for repairing / improvement to office building / own showrooms / factory shed / additional godowns by PONTEX / PONFAB / TEXPRO / Cooperative spinning mills :

The scheme aims at enabling the PONTEX/PONFAB/TEXPRO and cooperative spinning mills to repairing / improvement to office building, own showrooms, factory shed, additional godown. The assistance will be in the form of 25% loan and 75% grant subject to a maximum of Rs.50.00 lakhs. The loan is recoverable alongwith interest as per the terms and condition of the Government rules existing then and there at the time of drawal.

24. Subsidy for purchase of house site by weaver members:

This scheme envisages to improve the dwelling of weaver members of all the primary weavers cooperative societies functioning in this Union Territory by providing financial assistance as subsidy upto Rs.10,000/- per weaver who is an active member for not less than 3 years in a weaver cooperative society to purchase a house site.

25. Assistance for setting up of a loom by the weaver of the Primary Weavers Coop. Societies:

The scheme aims at enabling the Primary Weavers Coop. Societies to bring more weavers to the traditional profession of handloom weaving and in order to increase production of handloom fabrics. The assistance will be in the form of 25% loan and 75% grant recoverable in 4 years with interest at the rate fixed by the Government from time to time subject to a maximum of Rs.8,000/- per loom per weaver. The weaver shall be a member of a Primary Weavers Coop. Society. The weaver should have undergone training imparted by PONTEX / Weaver Services Centre and he should not have completed 45 years of age at the time enrollment of membership.

26. Moderinisation of Looms of Existing Weavers

This scheme aims at enabling the primary weavers co-operative societies to help the weavers by using modern methods of handloom weaving in order to increase the

production of Handloom fabrics. Under this scheme, assistance will be released to the Primary Societies directly for modernisation subject to a maximum of Rs. 10,000/- per weaver for Frame looms and Rs. 5,000/- per weaver for pit looms. The weaver shall be a member of a primary weavers co-operative society. The modernisation will be implemented in a phased manner during the Eleventh five-year plan.

Scheme No. 2

Sector : HANDLOOMS

Implementing : CO-OPERATIVE
Department

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 shares in the Weavers Cooperative Societies. (iii) To provide assistance to the weavers during rainy season (iv) To provide assistance for training of weavers and appraisers (v) Payment of additional stipend to the trainees at IIHT

- 3.(a) **Actual physical Achievement 2006-07** :

Members of 14 Primary Weavers Cooperatives

- (b) **Anticipated Physical Achievement 2007 - 08** :

Members of 14 Primary Weavers Cooperatives and Texpro

- (c) **Programme envisaged for Annual Plan 2008-09** :

Members of 14 Primary Weavers Cooperatives and Texpro

4. **Remarks** : Continuing scheme

Pattern of assistance:

1) Handloom Weavers Welfare Fund:

Grants will be released under the scheme to the PONTEX 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.

- i. Premium for any Group Insurance linked scheme
- ii. Issue of free house-sites to the Handloom Weavers
- iii. Pension scheme to the Handloom Weavers
- iv. Incentive for those who underwent operation for family planning
- v. Reimbursement of expenditure incurred for issue of free dhothies / sarees to Handloom weavers
- vi. Payment of contributions to Employees State Insurance (ESI) Scheme for Handloom weavers
- vii. Payment of Education Allowance to children of Weavers.
- viii. Payment of Medical Allowance
- ix. Payment of spectacle subsidy.

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) Grant to weavers during Rainy Season:

The weavers are required to pay Rs.500/- from wages at Rs.50/- per month for 10 months and Govt. assistance will be made at a rate thrice the contribution of weavers. The entire accumulation of Rs.2,000/- will be paid as assistance to weavers for two months during the rainy season at Rs.1,000/- 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.

4) Assistance for training of weavers and appraisers:

In order to bring more persons to the weaving profession, training will be given by the Pondicherry State Weavers Coop. Society for 2 months to the Weavers, Appraisers and other allied workers with the grant of financial assistance as detailed below:

i)	No. of trainees per batch	:	20 persons
ii)	Stipend amount payable to each trainees @ Rs.75/- per day not exceeding	:	Rs. 2,250/- per month
iii)	Rent for the training period of two months	:	Rs. 20,000/-
iv)	Cost of looms and accessories @ Rs.8,000/- per loom for 20 looms payable at the starting of training programme as one time grant	:	Rs.1,60,000/-
v)	Loom setting charges (as one time grant)	:	Rs. 5,000/-
vi)	Cost of yarn and other preparative work for one training course	:	Rs. 10,000/-

- vii) Emoluments to Master Trainer @ Rs.150/-
per day not exceeding : Rs. 4,500/- per month
- viii) Documentation of samples, Administrative
and Miscellaneous Expenditure : Rs. 10,000/-
Grant will be sanctioned to a maximum of 4 Training courses in a year.

5. Payment of additional stipend to the trainees at IIHT:

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 in addition to the stipend payable at the rate of Rs.200/- per month in the 1st year, Rs.225/- per month in the 2nd year and Rs.250/- per month in the 3rd year for 10 months period as stipulated by the Development Commissioner for Handlooms, Ministry of Textiles, New Delhi.

6. Pre-natal and Post-natal subsidy:

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 upto 2 children.

Scheme No. 3

Sector : CO-OPERATION

Implementing : CO-OPERATIVE
Department

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

- 3.(a) **Actual physical Achievement 2006-07** : 2 Spinning Mills
- (b) **Anticipated Physical Achievement 2007 - 08** : 2 Spinning Mills
- (c) **Programme envisaged for Annual Plan 2008-09** : 2 Spinning Mills
4. **Remarks** : Continuing scheme

Pattern of assistance :

- i) To provide financial assistance to the Pondicherry Cooperative Spinning Mills at Pondicherry, and Jayaprakash Narayan Cooperative Spinning Mill at Karaikal, so as to enable them to meet their Working Capital needs.
- ii) To provide financial assistance for expansion and modernization-cum-Rehabilitation programme.