

## HANDLOOMS

Handloom Industry in the Union Territory of Puducherry, which is next to agriculture, is a source of livelihood for about thousands of people. The weaver cooperatives have been organized 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 Puducherry 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 Puducherry and the other at Karaikal are producing good quality of yarn on various counts. The Handloom Development Programmes aim at strengthening the structure of weaver Cooperative Societies, improving the quality of Handloom fabrics, modernization of the handloom, up gradation 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, Modernization-cum-Rehabilitation Programme, 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, payment of pre-natal and post-natal subsidy, 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.

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 Scheme : 1

Department : CO-OPERATIVE

(₹ in lakh)

Annual Plan 2014-15 Actual Expenditure	:	4066.50
Annual Plan 2015-16 Approved Outlay	:	1655.00
Annual Plan 2015-16 Revised Outlay	:	1655.00
Annual Plan 2016-17 Proposed Outlay	:	1655.00

(₹ in lakh)

Sl. No.	Name of the Scheme	Annual Plan 2014-15	Annual Plan 2015-16		Annual Plan 2016-17	
		Actual Expdr.	Approved Outlay	Revised Outlay	Proposed Outlay	Of which Capital content
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Handloom Development, Handlooms Weavers' Welfare and Business Assistance to Co-op. Spinning Mills for business purpose	4066.50	1655.00	1655.00	1655.00	1155.00

## Scheme No. 1

Sector : HANDLOOMS

Implementing : CO-OPERATIVE  
Department

1. **Name of the Scheme** : Handloom Development, Handloom Weavers Welfare & Business Assistance to Co-operative Spinning Mills for Business purpose

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 Two Cooperative Spinning Mills.

3. **Actual Physical Achievements made in the Annual Plan 2014-15 :**

- Extended financial assistance to One Apex & 15 Primary Weavers Cooperatives and two Cooperative spinning mills

4. **Physical Achievements for the Annual Plan 2015-16:**

- Extended financial assistance to One Apex & 15 Primary Weavers Cooperatives and two Cooperative spinning mills

5. **Proposed Physical Targets for the Annual Plan 2016-17 :**

- Extension of financial assistance to One Apex, 12 Primary Weavers Cooperatives and Two Cooperative spinning mills.

6. **Remarks** : Continuing Scheme

**PATTERN OF ASSISTANCE :**

1. Working capital Assistance:

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

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. Purchase of site/Construction of office-cum-Godown/Workshed/Additional Office-cum-godown/ Workshed/Improvements to Office-cum-godown/Workshed/Extension of Office-cum-godown:

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

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

### 5. 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/PONFAB/TEXPRO/ Primary Weavers Co-operative Societies and Cooperative Spinning Mills. 8% interest shall be reimbursed directly to the above said Institutions from the Government

### 6. 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 ₹5.00 lakhs for purchase of van/lorry and 100% grant subject to maximum of ₹50,000/- for generator to PONTEX/PONFAB/TEXPRO. If the cost of generator exceeds ₹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.

## 7. 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 of 25% on the wages will be paid to the members of the Primary Weavers Co-operative Societies through Pondicherry State Weavers Cooperative Society & PCHEDP. The incentive will be paid at a certain percentage announced by the Government, subject to a maximum of 25% on the wages earned by the members on the Handloom goods produced during the previous year. The maximum amount of Incentive per weaver will be ₹7500/.

## 8. 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 utilized 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 ₹7500/- or the actual gross value of one Bill which ever is higher will be termed as retail sales.
- c) The sale rate for ₹7500/- and above in Godown will be termed as wholesale.
- d) Special retail rebate maximum of 25% shall be allowed on all the festival days throughout 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 whole sales 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.

## 9. Yarn Subsidy to PONTEX &amp; PONFAB:

The assistance will be given to PONTEX & PONFAB in the form of maximum subsidy @ 8% on the total purchase of yarn made by them from the National Handloom Development Corporation, National Textile Corporation, and TEXPRO and from any other Cooperative Spinning Mills.

## 10. 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 details,

Banner, Poster, Calander, Media, Handbills and Phamolets towards publicity oh handloom goods by way of cent percernt subsidy. The assistance should not exceed 2% value of the handloom googs produced by the Primary in respect fo PONTEX and 2% of he value goods produced by PONFAB during the previous year.

11. Participation of weavers' cooperative socities 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/-.

12. All India Handloom Fortnight Celebration:

Assistance will be given in the form of 100% subsidy subject to a maximum of ₹2.50 lakhs to the Apex society.

13. Assistance to Set up Design Development Cell in PONTEX :

In order to introduce new and enriched designs in Hnalooms so as to make them more popular among the public and to attract better marketing it is proposed to assist the PONTEX/ PONFAB, a Computer Aided Design System for setting up of Design Development Cell at a cost of ₹10.00 lakhs on 100 % subsidy basis. The cost of engaging a consultant (Technical Designer), conduct of market study and Research Development and incidental expenditure etc., may be reimbursed subject to a maximum of ₹ 2.00 lakhs per year.

14. 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 ₹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.

15. 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 ₹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.

16. Modernization 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 modernization subject to a maximum of ₹10,000/- per weaver for Frame looms and ₹ 5,000/- per weaver for pit looms. The weaver shall be a member of a primary weavers co-operative society. The modernization will be implemented in a phased manner during the Eleventh five-year plan

17. Release of state share / Contribution for the implementation of welfare scheme / packages announced by the Government of India for the welfare of weavers / Weavers Cooperative Societies:

The scheme is intended for release / provision of State's share /contribution to the nodal agencies like NABARD for the implementation of various welfare schemes/ financial packages announced by the Government of India for the welfare of weavers / Weavers Cooperative Societies.

18 . Managerial subsidy, Furniture Subsidy and Assistance for Purchase raw material to the PONGEX Dying Unit:-

In order give a support a run the Dying unit profitable it has been proposed to provide Managerial Subsidy, Furniture Subsidy and Assistance for purchase raw material to the PONTEX Dying Unit.

### **UNDER HANDLOOM WEAVERS WELFARE SCHEMES**

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 utilized for payment of the grants / assistance / implementation of the following to the members of the Handloom Weavers Cooperatives.

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

2. Grant to weavers during Rainy Season:

The weavers are required to pay ₹750/- from wages at ₹75/- per month for 10 months and Govt. assistance will be made at a rate thrice the contribution of weavers. The entire accumulation of ₹3,000/- will be paid as assistance to weavers for two months during the rainy season at ₹1500/- 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.

3. 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:

- No. of trainees per batch : 20 persons
- Stipend amount payable to each trainees  
@ ₹100/- per day not exceeding : ₹3,000/- per month
- Rent for the training period of two months : ₹20,000/-
- Cost of looms & accessories @ ₹8,000/- per loom  
for 20 looms payable at the starting of training  
programme as one time grant : ₹1,60,000/-
- Loom setting charges (as one time grant) : ₹5,000/-
- Cost of yarn & preparative work (one trg. course) : ₹10,000/-
- Emoluments to Master Trainer @ ₹150/- per day  
not exceeding : ₹ 4,500/- per month
- Documentation of samples, Administrative and  
miscellaneous Expenditure : ₹ 10,000/-
- Grant will be sanctioned to a maximum of 4 Training courses in a year.

4. 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 ₹300/- per month per student in the form of 100% grant in addition to the stipend payable at the rate of ₹200/- per month in the 1<sup>st</sup> year, ₹225/- per month in the 2<sup>nd</sup> year and ₹250/- per month in the 3<sup>rd</sup> year for 10 months period as stipulated by the Development Commissioner for Handlooms, Ministry of Textiles, New Delhi.

5. 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 ₹3,000/- as a social welfare measure. The assistance is applicable only upto 2 children.

**BUSINESS ASSISTANCE TO COOPERATIVE SPINNING MILLS FOR BUSINESS PURPOSE PATTERN OF ASSISTANCE:**

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.

To provide financial assistance for expansion and modernization-cum- Rehabilitation programme.