

INTRODUCTION

The Planning Commission vide Office Order No. VSE-21(3)/2011 dated 20th May, 2011 constituted the Working Group on Handloom Sector for the Twelfth Five Year Plan under the chairpersonship of Smt. Rita Menon, Secretary (Textiles). Smt. Jasleen Dhamija, served as co-chairperson and Shri R. N. Choubey, Development Commissioner (Handlooms) served as the Member Secretary. The Working Group had extensive deliberations with a view to strengthening the sector and achieving the objectives laid down in the approach paper for the 12th Plan. The composition and terms of reference of the Working Group on Handloom Sector are at **Appendix-A**.

2. The Working Group recommended the constitution of Six Sub-Groups for various sub-sectors like Marketing & Brand promotion, Infrastructure, Social & welfare, Raw Material, Credit etc. for assisting and advising the Working Group in formulating the recommendations for schemes, programmes and policies for 12th Five Year Plan.

3. Accordingly, the following Six “**Sub-Group on Handlooms**” were constituted:

Sl. No.	Name of the Sub-Group	Chairperson	Co-Chairperson & Convenor
1	Marketing, Exports, Brand Building and Promotion of Handloom Products	Sh. R.N. Choubey, Development Commissioner(HL)	Sh. Dinesh Singh ADC(HL)
2	Infrastructure & Cluster Model	Sh. R.N. Choubey, Development Commissioner(HL)	Sh. S.K. Jha ADC(HL)
3	Credit and Raw Material	Sh. R.N. Choubey, Development Commissioner(HL)	Sh. Dinesh singh ADC(HL)
4	Social, Welfare Measures and Environmental Compliance	Sh. R.N. Choubey, Development Commissioner(HL)	Ms. Meenu S. Kumar CEO(HL)

5	Training, HRD, R&D and Technical Processes	Sh. R.N. Choubey, Development Commissioner(HL)	Dr. Md. Nazamuddin ADC(HL)
6	North Eastern Region (NER)	Ms. Jasleen Dhamija	Ms. Meenu S. Kumar CEO(HL)

4. The composition and terms of reference of various Sub-Groups are at **Appendix-B1 to B6**. The Working Group held its first meeting on 7th July 2011. The Sub-Groups had a series of meetings and presented their reports to the Working Group in its meeting held on 17th August, 2011. The Working Group had detailed discussions about various issues and finalized its draft recommendations. The draft recommendations were circulated among the members and their suggestions were finally incorporated in the report, keeping in view the guidelines of the Planning Commission and approach for the Twelfth Five Year Plan.

EXECUTIVE SUMMARY

Vision Statement

To develop a strong, competitive and vibrant Handloom Sector to provide sustainable employment to the handloom weavers particularly belonging to disadvantaged section of the Indian society and to ensure inclusive growth of the sector.

Objectives of the XII Plan

- To have faster, more inclusive and sustainable growth of handloom sector.
- Focused, flexible and holistic approach to meet the challenges of domestic and global market.
- Expansion of overall, market through competitive pricing to increase domestic and international market share.
- Brand building in global and domestic market.
- Facilitation of marketing of handloom products.
- Empowerment of weaver's particularly disadvantaged and weaker section by organizing them under self help groups.
- Training, capacity building and enhanced entrepreneurial support.
- Infusion of new and contemporary designs through design intervention as well as product diversification,
- Technical Research & Development support.
- Easy access to raw material at subsidized prices.
- Enhancing capabilities including social security, better healthcare, life insurance, pension, worksheds etc.
- To ensure easy credit flow at low interest rate.

Approach to the XII Plan

- To identify critical areas where existing policies and programmes are not delivering results, evaluation of weakness and undertaking corrective measures to achieve greater efficiency in programme implementation.
- Adoption of best practices from amongst existing institutional models of Governance including cooperative societies, Self Help Groups, private limited companies and Government undertakings
- To sustain and strengthen the traditional knowledge, skills and capabilities of the weavers.
- To ensure better access to inputs including yarn, dyes and chemicals, new technology and availability of credit at concessional rate to mitigate cost disadvantage.
- To expand productive employment by enabling the revival and growth of cooperative societies in to a cluster development mode and promotion of entrepreneurs, corporations and other bodies for expansion of handloom sector.
- To develop a strong brand promotion channel for market development of the handloom products especially for younger generation and Niche market.
- To encourage handloom sector for greater value addition to cater niche markets and younger generation including exports.
- To create an efficient and transparent environment for nurturing enterprises promoting concept of business management, costing and enhancing productivity.
- To incentivise R & D, including support for innovation.
- To introduce a strong distribution and marketing strategy/policy including quality control and packaging.
- To strengthen the institutional arrangement.
- To give special emphasis for promotion of handloom sector of NER
- To identify new challenges that may have emerged and introduce required initiatives and interventions.

Recommendations for XII Plan

In line with the objectives and approach to the 12th Plan, the Working Group constituted 6 Sub-Groups for deliberations on various issues including the review of the performance of the existing Plan schemes, report of the evaluation of the schemes and to suggest the strategy for the 12th Plan. The terms of reference of the Sub-Groups are given at **Appendix-B1 to B6** . The main thrust areas for handloom sector for 12th Plan are:

- Cluster Development approach.
- Thrust on Marketing, Exports & Brand Building.
- Creation of Infrastructure.
- Availability of raw material at subsidized rate.
- Incentivize handloom production to make it cost competitive with powerlooms.
- Weavers' welfare programmes.
- Capacity building and Public Private Partnership.
- Credit availability and loans at lower rate of interest.
- Design diversification and new product development.
- Strengthening of the Institutions.
- Broaden the outreach and enable large number of weavers and ancillary workers to have the access to the benefits of the Schemes and Programmes.

The recommendations of the Sub Groups were deliberated upon by the Working Group and have been categorized into two parts:

- (i) Recommendations on Schemes/Programmes.
- (ii) Policy Recommendations.

Recommendations on the schemes and programmes include modifications in the existing schemes, increase in the financial allocations, addition of new components and introduction of new schemes.

The key sets of recommendations on specific issues are summarized below:

I. Marketing, Exports and Brand Building and Promotion of Handloom Products:

Handlooms cover a very wide range of fabrics both in terms of variety/utility and pricing. There are different markets for different products. To ensure widespread availability of handloom products to all segments of customers, special emphasis on domestic marketing and creation of necessary infrastructure alongwith aggressive brand promotion is the need of the hour. In view of this, the Working Group felt that initiatives need to be structured and targeted accordingly and different approaches are required for domestic market and exports market. As recommended by the Sub Group on Marketing, Exports, Brand Building and Promotion of Handloom Products, the Working Group recommended continuation of Marketing and Export Promotion Scheme with modifications in terms of enhancement in financial allocations of sub-components and adding new components. The public-private partnership (PPP) mode will also be considered, wherever feasible, in implementing these recommendations. The recommendations are:

1. Organization of exhibitions, events and craft melas. The Government grant for organising these expos is proposed to be enhanced to meet the infrastructure and publicity cost. To provide the benefit to larger segments, the scope of eligible participants and agencies is also proposed to be enlarged.
2. Organization of Mega Handloom Expo during the festive season with participation of 400-500 handloom agencies.
3. Creation of infrastructural facilities in the existing haats / mandis near small towns to tap potential of rural marketing.
4. Setting up of large urban haats at Metropolitan and big cities and small urban haats at commercially potential district and state level cities.
5. Setting up of retail stores in major cities and state capitals under Single Brand Name.
6. Development of Web Portal to provide e-marketing platform with B2B and B2C facility.
7. To promote handloom aggressively through National TV and Radio on the pattern of Incredible India.
8. To have celebrity endorsement as part of promotion of handlooms.

9. Enhanced grant to register the product under GI and post registration awareness programme, publicity and other related activities including training of the personnel of implementing agencies.
10. Enhancement of Marketing Incentive from existing 10% to 20% to be equally shared between Central Government and State Government.
11. 20% special incentive to State Governments for Government purchases of handloom products.
12. Setting up of 10 permanent Marketing Complexes in major cities to provide marketing infrastructural support to handloom weavers and agencies.
13. Strengthening of State level handloom organizations to make them viable by enhancing their credit limit, working capital etc.
14. Sanction of export projects to develop export worthy handloom products through design intervention by the qualified designers.
15. Enhancement in the financial assistance for participation in International Fairs and Exhibitions.
16. Enhancement in financial assistance for organization of Reverse Buyers-Sellers meets.
17. Setting up of Design Studios to provide innovative designs and colour forecast with appropriate linkages with institutions such as NIFT, NID etc.
18. To boost the export of handloom products, setting up of 2 Display-cum-CFC and Quality Testing Units at Panipat and Karur.

Policy Recommendations

1. To promote handloom products abroad, celebration of “**India Weaves Week**” at Indian Embassies through HEPC.
2. Since handlooms and Khadi are both fibre and fabric based sector and compete in the same market and both have cultural value of “**Swadeshi**” attached with them, it is recommended that KVIC may also be brought under the purview of Ministry of Textiles as this Ministry is already catering to the development of fibre and fabric based sectors.
3. Introduction of Powerloom Mark for the powerloom products /fabrics to safeguard the interests of consumers.
4. Promotion of Textile Tours to handloom weaving centres in collaboration with Ministry of Tourism.

II. Infrastructure and Cluster Model:

- As a policy matter, to continue Cluster Development Approach in the Handloom Sector for integrated and holistic development of the geographically handloom concentrated pockets.
- To consolidate the well performing existing clusters so that the clusters sustain themselves after the Government exits.
- Consolidation of the existing clusters should be given priority over the new clusters.
- For consolidation, funding should be provided only for various hard interventions and upper limit per cluster is Rs.20.00 lakh plus fee to be paid to the Cluster Development Executive (CDE) for a period of 2 years.
- To take up the clusters with reduced size vis-à-vis the size of clusters taken up in the XI Plan for focused and concentrated efforts.
- Sizes of clusters recommended are 200-400, 2000-4000 and more than 15,000 handlooms per cluster. For NER and hilly regions, the clusters of smaller size, about 30% less than the size of the normal clusters mentioned may be considered.
- The duration of the project should be counted from the date of release of 1st installment and suggested duration for clusters with 200-400 handlooms is 4 years, for clusters with 2000-4000 handlooms is 4 years and for clusters with more than 15000 handlooms is 5 years.
- To change the nomenclature of Designer to Designer-cum-Marketing Executive who will be responsible for development of designs and marketing of handloom products.
- To engage the Designer-cum-Marketing Executive on full time contractual basis in the medium & large clusters and to set up a pool of Designer-cum-Marketing Executive for small size clusters.
- To engage dedicated Cluster Development Executive (CDE) for each cluster, who should be properly selected, having requisite qualification and experience with defined job chart.
- In the cluster development programme, the weavers and ancillary workers should be eligible to avail financial assistance for pre-loom, on-loom and post-loom activities.
- To overcome the problem in delay of funds by the State Govt. to the Implementing Agency, State Level Handloom Society may be set up in the States under the Registration of Societies Act for implementation of the clusters having 200-400 handlooms or 2000-

4000 handlooms per cluster. The Society will be provided administrative cost @10% of the project cost. This Society will oversee all the aspects of the implementation of the various components in the cluster scheme. The Society will receive the proposals, which will be approved by the State Level Project Management Unit, headed by the State Commissioner/Director (Handlooms). Based on the approval, grant will be released to the Society, which in turn will pass it on to the Implementing Agencies.

- Funding for various interventions by the GOI, State and IA/beneficiary will be in the ratio of 80:10:10 while for the States like J&K, North Eastern States (including Sikkim), Chhattisgarh, Jharkhand and Uttarakhand will be in the ratio of 90:5:5.
- Clusters with handlooms more than 15,000 will be implemented by the Special Purpose Vehicle (SPV) or any other Agency nominated by the Central Govt.
- Quantum of maximum Central assistance recommended for clusters of 200-400 looms is Rs. 75 lakh per cluster, for clusters of 2000-4000 looms is Rs. 6 crore per cluster and for clusters of more than 15,000 looms is Rs. 40 crore per cluster.
- To cap soft interventions like awareness programmes, capacity building, formation of Self Help Groups, establishing credit linkages etc. of the total project cost.
- To manage the activities in the clusters of 2000-4000 and more than 15,000 handlooms, in addition to the CDE, supporting staff may also be provided.
- To include all components, which are related to the development and welfare of handloom weavers of the cluster. To ensure credit availability by the Banks, provision of Margin money for working capital, interest subvention and credit guarantee cover may be included.
- To avoid disruption and discontinuity in implementation of the cluster project, the funds may be released in two or more installments. First installment will be released as advance and subsequent installments will be released on utilization of 70% of the previous installment.
- To set up cluster cell at the Headquarter office (office of the Development Commissioner for Handlooms) to deal with the cluster programme, including liaisoning with the State Govts./IAs, examining the proposals, release of the financial assistance, monitoring etc. At the same time, mentors/monitors may also be engaged at the field level in all States to advise the Implementing Agencies in the implementation of the Cluster Development Programme, follow-up with the State Governments / Implementing Agencies, monitoring & reporting the progress to this office etc.

- Upto 15% of the funds allocated for the Scheme may be utilized towards innovative ideas.
- To take up State Specific Projects, spread either in different pockets of the State or single large pocket, having specific requirements in terms of the components or their costing or concept etc., wherein the funding by the GOI and State/IA will be in the ratio of 80:20 while for the States like J&K, North Eastern States (including Sikkim), Chhattisgarh, Jharkhand and Uttrakhand will be in the ratio of 90: 10. Such projects will be implemented by the State Government. /State Handloom Agency.
- Upto 5% of the budget allocated for the Scheme may be utilized towards publicity, monitoring, supervision, performance linked incentivisation to the CDE/Designer etc. of the cluster, cluster cell, training of the officials working under the Office of the Development Commissioner for Handlooms/State Directorate of Handlooms/CDEs and his/her supporting staff, evaluation of the Scheme etc.
- To continue Group Approach, covering skill up-gradation, individual workshed, basic inputs (new handloom/dobby/jacquard/margin money/accessories/Solar lights). Size of the group will be in the range of 5-20 weavers with an average cost per beneficiary of Rs. 90,000/-. The funding for these components will be similar to Clusters.
- Estimated requirement of funds for carrying out these activities in the XII Plan is Rs. 2741 crore.

III. Raw Material:

The Working Group deliberated the various issues pertaining to the yarn supply and recommended to continue the Mill Gate Price Scheme during the 12th Plan also with the modifications as recommended by the Sub Group on Credit & Raw Material. The brief of recommendations on raw material are as follows:

1. Continuation of Mill Gate Price Scheme with following amendments:
 - a. Increase in the rate of Freight reimbursement to meet the transport expenses in a realistic manner.
 - b. Revision of service charges to the NHDC from the existing 1.5% to 2% of the value of the yarn supplied.

- c. Allow an advance equivalent to 25% of BE of MGPS to NHDC at the beginning of the quarter to facilitate timely reimbursement of Transport and Depot Operating Expenses to the user agencies.
2. Introduction of 10% Subsidy Scheme on Hank Yarn to make the handloom products competitive with powerloom products. The Scheme will have Multi Agencies implementation with appropriate safeguards for effective implementation.
3. Opening of 10 yarn Depots-cum-Ware Houses on trial basis by the NHDC to ensure timely availability of hank yarn even in small quantities. The possibility of running some of these depots in PPP mode will also be explored.

Policy Recommendations

1. To give thrust to handloom sector to provide a competitive and price advantage, it is recommended that the yarn supplied under MGPS may be exempted from VAT & CST.
2. To ensure the availability of quality dyes & chemicals, it is recommended that NHDC should keep small packets of 100 grams each for dyes & chemicals at its branch offices.

IV. Credit Availability to the Handloom Sector:

- Credit to handloom sector is constrained due to lack of accessibility to credit, high cost of credit, debt overhang, financial exclusion of about 80% of weavers from formal financial system, growing inefficiency of the cooperative marketing system, poor accounting & financial management, competition from powerloom, poor socio-economic conditions of weavers and continued weakness of lending institutions in the cooperative sector.
- Credit linkage from institutional sources is limited. It is therefore recommended to begin with a modest target of credit mobilization of Rs. 1000 crore during first year of 12th Plan, which may be scaled upto Rs. 4000 crore by the end of the 12th plan.
- Under the IHDS, there is a provision of Rs. 6,000 per beneficiary as margin money during 11th Plan. It is recommended to continue the provision for margin money with

enhanced amount (Rs. 10,000) and target (to cover five lakh beneficiaries during Plan period).

- In order to reduce the cost of production in the handloom sector, the need for loan at lower rate of interest is felt, in line with the farm sector. Interest subvention of 4% on handloom weaver loans has been recommended.
- Institutional sources are still reluctant to provide loan to decentralized sector including handloom. In order to ensure adequate flow of credit to the sector, credit guarantee scheme has been recommended for the Handloom Sector
- Convergence with the schemes of other Ministries like Ministry of Rural Development and NABARD has been recommended for easier access of credit for the Handloom Sector.

V. Human Resource Development, Training, R&D & Technical Process:

- As far as training in the handloom sector is concerned, technological gap has been identified. Therefore, skill upgradation has been recommended in the field of pre & post weaving activities. Strengthening of Weavers' Service Centres and Indian Institutes of Handloom Technology has also been recommended.
- Targeted to train approximately 2.35 lakh persons during 12th Plan for the Handloom Sector.
- All Weavers' Service Centres should have own building by the end of 12th Plan.
- It has been recommended to set up three more WSCs in NER and 2 more in other emerging handloom States such as Jharkhand and Himachal Pradesh
- Machinery and equipments installed in different WSCs and IIHTs are not up to mark. It has, therefore, been recommended to install new and updated machinery and equipments in the existing WSCs and IIHTs to meet the challenges of the market.
- Recommended to set up two more Indian Institutes of Handloom Technology in Central Sector, in addition to the upgradation and strengthening of existing WSCs and IIHTs.
- Continuation of activities of National Centre for Textile Design (NCTD) has been recommended.
- Phase-I of the Jammu & Kashmir Wool & Woollen Design Centre had been completed during 11th Plan. Completion of pre & post activities of Jammu & Kashmir

Wool & Woollen Development Centre, under Phase-II has been recommended during 12th Plan.

- The need has been felt for revival and Documentation of Languishing Handloom Crafts & Establishment of 5 Regional Textile Museums
- Collection of Statistical Data regarding Handloom Sector at regular interval, which will facilitate monitoring of Handloom Sector in terms of employment in earnings of handloom weavers.

VI. Social Welfare Measures and Environmental Compliance:

The Members felt that both the Schemes are beneficial, hence should continue as an independent entity to cover both BPL as well as Non BPL beneficiaries during the 12th Plan also. The following changes were recommended in the existing schemes as follows:

➤ HEALTH INSURANCE SCHEME

- (i) The overall Health Insurance cover be enhanced to Rs. 50,000/- (from the existing Rs. 15,000/-).
- (ii) The OPD cover worth Rs. 15,000/- be given (as against Rs. 7,500/- at present) in anticipation of increase in the cost of medicines in the coming years.
- (iii) A Biometric Card (Smart Card) should be used to avail the HIS benefits by the enrolled beneficiary. This card may be valid for five years and should be independent of the Service Provider.
- (iv) The Health Card should carry a photograph of the card holder and his/her family members.
- (v) The sub limit for eye limit should be enhanced to Rs. 250/- from existing Rs.75/-.
- (vi) OPDs should be located in weaver clusters having more than 300-500 weavers' population and where no medical facilities are available Mobile OPDs may be introduced to reach the remote interior villages.
- (vii) Critical Illness Care may also be covered if it does not increase the premium.
- (viii) The minimum contribution of the beneficiary should be limited to Rs. 20/- per family.
- (ix) The new and renewal enrolments should be considered on need basis by the State concerned and should be based on the recommendations of the concerned State Government without any fixed percentage for renewals.

- (x) The aged parents of the primary card holder may also be eligible to avail the benefits in case where there are less than 2 children in his/her family of four (1+3).

➤ **Mahatma Gandhi Bunkar Bima Yojna (LIFE INSURANCE)**

- 1) The overall benefits of the MGBBY Scheme may be enhanced as follows :

Benefits	11 th Plan	12 th Plan
	Existing	New proposed
Natural Death	RS. 60,000/-	Rs. 1.00 lakh
Accidental Death	Rs. 1.50 lakh	Rs. 2.00 lakh
Total Disability	Rs. 1.50 lakh	Rs. 2.00 lakh
Partial Disability	Rs. 75,000	Rs. 1.00 lakh

- 2) The premium for enhanced cover as proposed above for age groups 18 to 59 years has been assessed to be Rs. 920/- per member out of which 50 % GoI share of premium will be @Rs. 460/- for 10 lakh weavers.
- 3) The age limit for providing Life Insurance cover should be enhanced to uptil 70 years, as against 59 years as on date. However, if the coverage is to be given upto age 70 years, premium @ Rs 2629/- per member per annum the GoI share works out to a budget requirement of Rs. 394 crore for five years.
- 4) The inclusion of an Endowment Policy with a Survival Benefit as an optional 'Add-on' benefit has been recommended where the additional premium shall be borne by the beneficiary who chooses to opt for the same.
- 5) The Scholarships are a very good incentive in the Scheme so it was recommended that the Scholarship amount may be Rs. 1200/- per child from Class-V onwards and for senior school i.e. for Class IX to XII @Rs. 2500/- per child.
- 6) A lump sum amount of Rs. 10,000/- p.a. may be given to at least 10 weavers' children studying in a five year degree Technical/Professional Course to be identified and distributed annually through the State Government. This will require Rs. 5 lakh in five years.
- 7) More awareness about the Scheme has to be generated through special camps and localized publicity in weaver concentrated areas. An additional fund of Rs.50 lakh per

year and Rs. 2.50 crore in five years will be required for Publicity and awareness campaign.

➤ **DISTRESS RELIEF FUND**

- Objective of the scheme is to address the need of distressed weavers who are in economic distress or facing misfortune on account of calamities (including flood/fire/cyclones) or on account of committing suicides (as ex-gratia payment to the family).
- In case of Natural Calamities, financial assistance of Rs. 15,000/- be given in case of damage to the loom; Rs. 25,000/- for work shed repair to the distressed weaver per family and Rs. 20,000/- for compensation of damage to raw material and as working capital to tide over the adverse circumstances.
- In case of suicide, a financial assistance of upto Rs. 2 lakh be given to the weaver's family on the basis of the State Government's report.
- A Revolving Fund of Rs. 1 crore per year may be placed at the disposal of State Director (Handlooms) for providing immediate aid as the State Government and Director (Handlooms) will be involved in the implementation of the Scheme. NGO's may be roped in by the District Collector/Director (Handlooms) for providing immediate relief of these families.
- Relief will be provided within two weeks for providing raw material, food, loom replacement or workshed etc. while the remaining amount out of ex-gratia grant of Rs. 2 lakh will also be provided within one month of reporting to the State Government.
- Publicity should be through newspapers in vernacular languages, printing and distribution of pamphlets/hand bills, posters, internet etc. in the calamity struck areas.
- The financial implication of this scheme is of Rs. 50 crores in five years.

➤ **NEW PENSION SCHEME**

- To provide Social Security of Pension to the Weavers over 60 years of age and service the Old Age Savings needs of these low income workers **to promote small savings during their productive life**. The total contribution is to be funded from the National Social Security Fund/Weaver beneficiary/Swavalamban Scheme.

- The benefits of Swavalamban which grants an incentive of Rs. 1,000 to all eligible NPS Accounts is proposed to be converged with this Scheme. The Swavalamban scheme will be in operation for five years w.e.f 2010-11.
- The Old Age New Pension Scheme for Handloom Weavers shall be implemented through the Aggregator(s) appointed by PFRDA and through the State Government (Handloom & Textiles) Department in every State.
- The management and release of Pension Funds shall be the responsibility of PFRDA, through the Director (Handlooms & Textiles) of the State Government. The scheme will be regulated by PFRDA, with transparent investment norms and regular monitoring and performance review of fund managers by NPS Trust.
- There shall be a requirement of **Rs. 60 crores** for enabling coverage of 6 lakh weavers (including renewals) @ Rs. 1,000/- contribution from NSSF through Ministry of Textiles. PFRDA shall also provide funds to the tune of **Rs. 1 crore for 500 awareness camps** for 500 weavers per camp.

➤ **ENVIRONMENTAL COMPLIANCE**

- To Control disposal of toxic effluents, interventions should include strategies to mitigate water use and discharge of untreated wastewater to quantify environmental impact through identifying chemical used in the dyeing process.
- Proper waste management awareness be imparted to the weavers/ancillary worker and the enabling mechanism be promoted by the Ministry of Textiles.
- ETP should be made mandatory in Dyeing Units and suitable financial assistance be given for this by Ministry of Textiles.
- The ETP may be maintained in PPP mode by the State Government and/or any SHG/Consortium or Individual beneficiary who has contributed in the installation cost of ETP. However, the services of the ETP shall be made available to all weavers/ancillary workers in the region on the basis of user charges. A Committee of Experts to advise appropriate technology selection and updating.

➤ **OCCUPATIONAL HEALTH AND SAFETY ISSUES**

Diagnostic studies should be undertaken to include strategies and interventions to mitigate harmful impact; awareness campaigns; support for retrofitting of work-sheds

with proper lighting and ventilation and distribution of low-cost safety equipment kits etc.

- Small cost effective measures like providing suitable masks/gloves/ventilation measures for workers in the Dye Houses may be provided freely to the workers.
- To make Azo-free Dyes freely accessible and available through yarn depots of NHDC/WSC etc. as well as generate awareness about the harmful effects of these Dyes. 500 gm sachet should be sold through NHDC (under MGPS) at competitive rates.
- Solar powered system be provided at subsidized cost for the housing units or work sheds of weavers. For the 18 watt module, the cost sharing in the ratio of 45% (GOI); 30 % (MNRE) & 25 % (State Govt./Beneficiary) is proposed. For the CFL, the 75% cost be borne by GOI and 25% be borne by the beneficiary.
- An amount of Rs. 36.00 crore for five years may be allocated to enable solar lighting for 1 lakh beneficiaries.

➤ **LOOM IMPROVEMENT & BETTER ERGONOMICS**

The production process for handlooms connected to the nature of weaving involves continuous and repetitive movement which shows a direct impact on health of the weaver i.e. Body pain; pulmonary problems; chronic bronchitis; decrease in hand-grip strength, pain in the knee, back and neck, eyesight problems etc. Therefore, it was proposed to provide :-

- For Pre loom activities to provide low cost devices like cycle wheel charkha for yarn winding @ Rs. 1500/- each and Motor driven mechanical winding machines for winding yarn from hank to bobbins.
- For on loom assistance Pneumatic jacquards, take up & let off motion, Multiple shuttle box motion on frame/pit looms are proposed so that the weaver can weave continuously without any strain which improves his efficiency considerably resulting in increased production.
- To increase the marketability of the finished products, Post Loom assistance be provided and Washing and calendaring machines, Small jiggers (60”) are recommended for the weaving units in the nearest CFCs for easy access by the

weavers. At least 200 clusters may be provided with these and a fund allocation of Rs. 1.50 crore may be allocated for these interventions.

- All the above basic inputs components may be considered under the IHDS proposed for the 12th Plan and the cost subsidy from GOI and State Government shall be on the pattern of the IHDS Scheme

➤ **HANDLOOMS (RESERVATION OF ARTICLES FOR PRODUCTION) ACT, 1985**

- Zonal offices in 10 major handloom States should be established.
- Need to increase penalty for violation where the offender is liable for penalty as well as punishment of imprisonment of not less than six months but which may extend up to three years and with a fine not less than fifty thousand rupees but which may extend up to two lakh rupees.
- Power of implementation of Handloom Mark Scheme and notification as “Authorized Officers” under Handlooms (Reservation of Articles for Production) Act.
- Separate National Accredited Testing Laboratory be set up in addition to Weavers 'Service Centre. R& D activities to develop devices to testing of samples and for developing new techniques to prove the loom of origin.
- Seek technical advice from specialized Research Associations, Technical Resource persons and Consultants having specialized knowledge and experience and/or in PPP mode.
- A Committee of Experts with technical expertise may be constituted to advise and review the existing definitions wherever required and conduct an in-depth study.

VII. NORTH EASTERN REGION (NER):

As per Census 2009-10, the dominance of female weavers in the total weavers' work force is highest in the North Eastern States where it is 99%. Moreover, greater participation of Self Help Groups, Private-Public oriented schemes, utilization of small groups of same tribe/community created by traditional leaders, as well as the MES scheme is an urgent need. One of the greatest problems has been access to raw materials, to credit and different markets. The proposals are to expand distribution of materials as required by the weavers,

access to credit cards, to margin money being made available directly to the weavers etc. Also, there is a need to evaluate the effectiveness of ongoing schemes and to redesign them to enable optimum utilization of fund. A summary of recommendations is as follows :-

A. Strategy for availability of raw materials:

Raw material is supplied through NHDC Depots. However, to make it sufficient and timely, specific interventions are required as follows:

- (i) Enhanced transportation subsidy.
- (ii) Enhanced staff and increased number of depots.
- (iii) A more aggressive role in promoting use of yarns through Raw Materials Fairs etc.
- (iv) Setting up of Mercerizing Units in PPP mode.
- (v) Setting up of Dye Houses on a PPP mode with attention towards vegetable dyes using local skills and updating the same.

B. Credit flow to individual weavers, master weavers and cooperatives.
Credit should be subsidized as in the case of farmers. NABARD should provide refinance at concessional rates.

- i) Margin money should be given directly to the weavers' organizations or SHGs.
- ii) Lack of banks in the area needs micro-enterprises to be set up. SEWA Bank, their associated organizations and similar associations may be consulted for setting up of a Banking system in NER to be organized by the women for the women.
- iii) The distribution of credit cards to *bonafide* weavers who have already been enumerated in the latest Census or in State Govt. records and have been issued identity cards needs to be accelerated.

C. Upgradation of looms and accessories through supply of accessories, CFC, Design Studios, worksheds, training etc.

- i) Formation of SHGs based on different community/tribal affiliation of upto 10 to 20 handloom weavers to be set up.
- ii) Providing work sheds, dye houses and funds for market promotion.

- iii) Training facilities to be upgraded and new institutional support or simultaneous upgradation of existing Institutes may be done.
- iv) Apparel Designing & Training Institute to be set up in the region.
- v) One Special Weavers' Service Centre linked to the Apparel Designing & Training Institute needs to be set up.

D. Marketing Promotion and Distribution:

- i) The North East Regions' distinctive designs and apparel woven on the back-strap loom based on their traditional designs needs to be developed and promoted as a special Brand of the area in consultation with designers, promoters and fashion shows.
- ii) A packaging for evolving special packaging with emphasis on heritage, traditional, materials and their uniqueness as eco-friendly products.
- iii) Organization of Mega Expo in NE Region with invitees from export houses, foreign boutiques etc to be invited. Similar Expos to be held in Metropolitan cities.
- iv) Opening of showrooms of NER products in the Metropolitan cities.
- iv) Ministry of Textiles should coordinate with Ministry of Tourism to develop Cultural Tourism.

E. Welfare Measures: All existing Schemes to continue.

F. Review of current models of clustering and appropriate changes for incorporation in the 12th plan

- (a) All existing Schemes should be evaluated and the awareness about these Schemes be generated in each and every State of NER. Local volunteers, NGOs and Community Groups should mobilize awareness about these Schemes. The funding pattern of all the Schemes for NER should be in the ratio of 90:10 and should be routed directly to the beneficiary/implementing agency to avoid time and cost overrun.
- (b) The new proposed scheme of MINIMUM ECONOMIC SIZE (MES) commercial units is highly recommended and should be implemented immediately. The subgroup approved the proposal for the new MES commercial units as a Central Sector Scheme.

G. SPECIAL NEEDS OF NER

Taking into consideration that there are special needs for the region, it is proposed that:

- i) An Advisory Group of Experts should be set up for the region, which would monitor the progress and evaluate the projects.
- ii) In addition to NEITCO, a Marketing Consultant having good experience in promoting special products and who can enable linkage with buyers should also be engaged through the core implementing agency (NEITCO).
- iii) A Design Consultant needs to be appointed, who would have knowledge of local systems, structures, environments, education, values and human resource and an understanding & application of special tribal Designs.

VIII. FINANCIAL OUTLAY PROPOSED FOR THE XII PLAN:

PROPOSED INTERVENTIONS	Rs. in crore
Marketing, Exports, Brand Building and Promotion of Handloom Products	2867.5
Infrastructure and Cluster Model	1901.00
Raw Material	2140.00
Credit	770.00
Social Welfare measures and Environmental Compliance	2028.00
Training, HRD, R&D & Technical Processes	605.57
North Eastern Region	152.00
GRAND TOTAL	10464.07

CHAPTER – I

OVERVIEW OF THE HANDLOOM SECTOR

1. INTRODUCTION

The tradition of weaving by hand constitutes one of the richest and most vibrant aspects of the Indian cultural heritage. From time immemorial, the ebb and flow of Indian history has been inter-linked with her pre-eminence as a producer of enchanting textiles. The level of artistry and intricacy achieved in the handloom fabrics is unparalleled and beyond the scope of modern machines. Innovative weavers with their skillful blending of myths, faiths, symbols and imagery provide their fabric an appealing dynamism. Hand weaving of cloth in India is not just another commercial venture. It represents a philosophy, a way of life. The astonishing variety of Indian handloom creations reflects the ethnic diversity of this vast sub-continent. The variety of textures, weaves and designs spun off the handloom is infinite, ranging from the finest muslins to heavy rugs, from delicate pastels to vibrant earthy hues, from appealingly simple to fascinatingly intricate composition. The tradition of intricate and painstaking craftsmanship of Indian hand weaving continues to the present day. Indian handlooms have been famous throughout the world for centuries and have been exported from our country to many foreign lands. In the days when only handlooms existed, these were looked at in awe in distant civilizations in Rome and Greece.

The adoption of modern techniques and liberalisation, however, has made serious inroads in the handloom sector. Competition from the machines, changing consumer preferences and the pursuit of less demanding means of livelihood have threatened the vibrancy of the handloom industry. Traditional hand woven products are in danger of becoming obsolete and weaving skills face dilution and decline. Adequate and appropriate technical up-gradation of equipments, processes and skills, design development and products diversification can, however, infuse new dynamism in the handloom sector and revitalise it to meet the present challenges.

The Government of India, since independence, has been following a policy of promoting and encouraging the handloom sector through a number of programmes and schemes implemented through the State Governments and their agencies working in the handloom sector. Concerted efforts are being made through these programmes to increase production, productivity and efficiency of the handloom sector and enhance the income and socio-economic status of the weavers by upgrading their skills, providing infrastructure and marketing support and essential inputs.

2. SWOT ANALYSIS OF THE HANDLOOM SECTOR

Strengths	Weaknesses
<ul style="list-style-type: none"> • Unique strength of traditional handloom sector is in preserving the cultural ethos of the country • The sector, with 23.77 lakh handlooms, provides employment to 43.31 lakh persons. • Traditional mode of production with low technology • Flexible production system • Diverse design base • Ability to commercially provide the goods in small volumes, quick switchover to new and exquisite designs • Potential to arrest migration of rural population • Large informal school for skill generation and transfer of technology • Production does not require electricity. 	<ul style="list-style-type: none"> • Weak institutional base • Fragmented and decentralized handloom sector • Weak organizational network and inadequate market intelligence • Limited scope of technological improvement in case of core weaving activity • Outdated pre and post weaving technology • Capacity constraints • Low productivity in comparison to powerloom • Infrastructural bottlenecks: lack of worksheds, modern dye houses etc.

Opportunities	Threats
<ul style="list-style-type: none"> • Vast domestic market • Phasing out of multi-fiber agreement and Arrangement of Textiles and clothing has created vast export market. • Penetration in the unexplored technical textiles 	<ul style="list-style-type: none"> • Stiff competition from the mechanized mill and powerloom sector • Integration of global textile sector has created equal opportunities to global exporters to export textiles products in India. • Decline of handloom apex cooperatives and corporations in the States and their poor financial health • Due to withdrawal of duty on cone yarn, CENVAT advantage of 9.2% on hank yarn lost and making handloom products costlier compared to powerloom products. • High cost of credit as well as low disbursement of credit.

3. HANDLOOMS – A LARGE EMPLOYMENT GENERATING SECTOR

Handloom weaving is largely decentralized and the weavers in the sector 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 beyond the scope of modern machines. It can meet every need ranging from the exquisite fabrics, which take months to weave, to popular items of mass production for daily use.

3.2 As per the Handloom Census of 2009-10, there are 23.77 lakh handlooms in the country, providing employment to 43.31 lakh handloom weavers and workers. This includes

38.46 lakh adult handloom weavers and workers. Out of the total adult handloom weavers and workers, 24.71 lakh are full time and 13.74 lakh are part time. The important statistics are given in Table 1.1.

Table 1.1
Important Statistics of Handloom Sector as per Census of 2009-10

1.	Number of looms	23.77 lakh
2.	Number of persons engaged in weaving and allied activities	43.32 lakh
3.	Number of adult weavers and allied workers	38.47 lakh

Out of the 38.47 lakh adult persons engaged in weaving and allied activities in the country, 77.90 % are women. 10.13% belong to Scheduled Caste, 18.24% belong to the Scheduled Tribes and 45.18% belong to Other Backward Classes. The details are given in Table 1.2 and Table 1.3.

Table 1.2
No. of Handloom adult weavers & allied workers

	Male	Female	Total
Number of Handloom adult weavers & allied workers (lakhs)	8.48	29.98	38.47
Percentage	22.10	77.90	100.00

Table 1.3
No. of Handloom adult weavers & allied workers by Caste

	SC	ST	OBC	Others	Total
No. of Handloom adult weavers & allied workers by Caste (lakhs)	3.90	6.97	17.38	10.22	38.47
Percentage	10.13	18.12	45.18	26.57	100.00

As per the above Census, nearly, 27.83 lakh handloom households are engaged in weaving and allied activities, out of which 87% are located in rural areas and remaining 13% in urban areas. The majority (82%) of handloom working households are weaver households, which means that at least one member of every such household is engaged in the weaving activity. A religion-wise break-up yields that about 78% households are Hindus, 15% households are Muslims, 6% households are Christians and the remaining households are Buddhists, Sikh or from other religions. Most of the handloom house-holds live in kutcha (54%) or semi-pucca (31%) houses only 15% of houses live in pucca house-holds. Nearly, 53% of the handloom worker house-holds are into commercial production and nearly 16% households undertaken a mix of domestic and commercial purpose. House-holds with Above Poverty Line ration cards account for 35% of the house-holds while the remaining house-holds have no ration cards.

4. **CLOTH PRODUCTION**

The contribution of Handloom Sector to the textile production, employment and export earnings is also significant. The production of handloom fabric was 6903 million sq. mtrs. during 2010-11, while the share of handloom cloth to total cloth/textile production (comprising Handloom, Mill and Powerloom), was about 14%. The Handloom Cloth Production during last 6 years and in the current are given in Table 1.4.

Table 1.4
HANDLOOM CLOTH PRODUCTION OVER THE YEARS

<u>Year</u>	<u>Million Sq.Mtrs.</u>
2005-06	6108 (+6.75%)
2006-07	6536 (+ 7.00%)
2007-08	6947 (+6.29%)
2008-09	6677 (-3.89%)
2009-10	6806 (+1.93%)
2010-11 (P)	6903 (+1.42%)
2011-12 (Apr.-May '11)	1081

Note: The figure in bracket indicates % increase/decrease over previous year.

5. STATE-WISE POSITION OF THE HANDLOOM SECTOR

The Number of Handloom Units, Weavers and allied Workers and Handlooms as per handloom census 2009-10 are given in Table 1.5.

Table 1.5
State-wise details of Handloom Units and Workers

Sl. No.	State	No. of Units	No. of Handloom Workers	No. of Handlooms
1	Andhra Pradesh	176996	355838	124714
2	Arunachal Pradesh	30343	33041	27286
3	Assam	1240817	1643453	1111577
4	Bihar	25485	43392	14973
5	Chhattisgarh	2664	8191	2471
6	Delhi	1875	2738	2560
7	Goa	0	0	0
8	Gujarat	3676	11009	3900
9	Haryana	6455	7967	4876
10	Himachal Pradesh	7006	13458	5578
11	Jammu & Kashmir	17293	33209	7301
12	Jharkhand	14178	21160	2128
13	Karnataka	37680	89256	40488
14	Kerala	11690	14679	13097
15	Madhya Pradesh	8691	14761	3604
16	Maharashtra	1977	3418	4511
17	Manipur	178975	218753	190634
18	Mizoram	39499	43528	24136
19	Meghalaya	11400	13612	8967
20	Nagaland	60891	66490	47688
21	Orissa	40683	114106	43652
22	Pondicherry	1754	2803	1771

Sl. No.	State	No. of Units	No. of Handloom Workers	No. of Handlooms
23	Punjab	2377	2636	261
24	Rajasthan	22668	31958	5403
25	Sikkim	568	568	345
26	Tamil Nadu	189069	352321	154509
27	Tripura	120652	137177	139011
28	Uttar Pradesh	110542	257783	80295
29	Uttarakhand	10606	15468	3766
30	West Bengal	406761	779103	307829
Total		27,83,271	43,31,876	23,77,331

6. ORGANISATIONAL SET UP OF OFFICE OF THE DEVELOPMENT COMMISSIONER FOR HANDLOOMS

6.1 The Office of the Development Commissioner for Handlooms was set up as an attached non-participating office on 20th November, 1975 on the recommendation of a High Powered Committee set up under the Chairmanship of Shri Shivaraman, the then Member of Planning Commission. At present, it is functioning under the Ministry of Textiles. The Office of the Development Commissioner for Handlooms is headed by an Officer of Joint Secretary level having its Headquarter at Udyog Bhavan, New Delhi. Under the administrative control of the Office of the Development Commissioner for Handlooms, 25 Weavers' Service Centres (WSCs) and 5 Indian Institutes of Handloom Technology (IIHTs) are functioning as subordinate offices. These WSCs are scattered in different nook and corners of the country and are engaged in Research and Development work in handloom sector. Besides, 5 Indian Institutes of Handloom Technology provide Diploma and Post Diploma in Handloom Technology/Textile Chemistry according to the increasing demands of the market. Further, the Office of the Chief Enforcement Officer, located at Udyog Bhavan with its Regional Offices at Ahmedabad and Chennai, is also functioning as subordinate office under the administrative control of the Development Commissioner for Handlooms to ensure implementation of the Handlooms(Reservation of Articles for Production) Act, 1985.

6.2. In addition to the above, following institutions are also supporting the Handloom Sector to promote and facilitate the continuous growth of the handloom industry to compete with confidence for increasing share of handloom products in the global market:-

- (i) National Handicrafts and Handloom Museum, New Delhi.
- (ii) Handloom Export Promotion Council (HEPC), Chennai.
- (iii) National Handloom Development Corporation Ltd (NHDC), Lucknow.
- (iv) Association of Corporations & Apex Societies of Handlooms (ACASH), New Delhi.

6.3 Brief details of the Organisations:

(i) **Weavers Service Centres (WSCs)**

The Handloom Industry is the biggest and the most important cottage industry in India providing employment to large number of people in rural areas. It employs the largest number of people next only to agriculture. The handloom weaver, as a craftsman has produced in the past the finest of textiles like Dacca muslin etc.

Recognizing the need for protecting our cultural heritage in the traditional skills of handloom weaving and for protecting the sector from competition from the powerloom and mill made textiles, the Government of India decided in 1956 to set up the Handloom Design Centres at Mumbai, Chennai and Varanasi. The activities of these Design Centres were later expanded to cover other aspects of development of the handloom textiles and were re-designated as the Weavers' Service Centres.

These Centres have done yeoman services in helping the handloom weavers in various aspects such as design development, design adoption, design dissemination, technical inputs in the form of research in looms, dyes, dyeing techniques, and innovations in

appliances and accessories used by the weavers. For this purpose, the WSCs have been conducting live demonstrations, holding workshops and setting up laboratories etc. Over a period of time, the WSCs have collected samples of various designs and weaving techniques in order to preserve this heritage for posterity.

The Centres have also become a channel of communication between them and the production units, be it individual, weavers' co-operatives or private and public units, through field contact of their qualified personnel with the weavers and their organizations. Further, training programmes tailored to the needs of the sector in a particular area have been regularly undertaken.

Presently, 25 Weavers' Service Centres are functioning under the Office of Development Commissioner for Handlooms in various parts of the country as mentioned in Table 1.6.

Table 1.6

Zonal-wise location of WSCs

S.No.	State	WSC
East Zone		
1.	Assam	Guwahati
2.	Tripura	Agartala
3.	Manipur	Imphal
4.	West Bengal	Kolkata
5.	Bihar	Bhagalpur
6.	Orissa	Bhubneshwar
South Zone		
7.	Tamil Nadu	Chennai, Salem, Kacheepuram
8.	Karnataka	Bangalore
9.	Kerala	Kannur
10.	Andhra Pradesh	Vijayawada, Hyderabad
North Zone		
11.	Delhi	Delhi
12.	U.P.	Varanasi, Meerut

13.	J&K	Srinagar
14.	Uttarakhand	Chamoli
15.	Rajasthan	Jaipur
16.	Haryana	Panipat
West Zone		
17.	Maharashtra	Mumbai, Nagpur
18.	Gujarat	Ahmedabad
19.	MP	Indore
20.	Chhattisgarh	Raigarh

These WSCs have been zonalised into 4 Zones namely; Northern (Delhi), Eastern (Guwahati), Southern (Chennai) & Western (Mumbai) Zone. The Zonal office of WSC is headed by the Zonal Director who supervises the WSCs within his area of jurisdiction while the other WSCs are headed by Dy. Director/Asstt. Director. The 25th WSC has been set up at Nowshera, Srinagar, J&K under the then PM's Economic Package for that State for technical support to the weavers of the State of J&K. The no. of WSCs have grown from 3 in the year 1956 to 25 at present, which is an indicative of their role in development of Handloom Sector.

WSCs primarily render extension services, which involve transfer of design inputs, skills and technology evolved in the WSCs to weavers at their cottages. The technical services in the field of weaving, designing, chemical processing etc. are also provided to the weavers, Apex/Primary Weavers' Co-operative Societies, State Handloom Corporations, exporters, manufacturers, designers etc. and thus, have become area specific promoters of technical services to the Handloom Sector. They are also experimenting in design development, sample development, developing new prints in varying colour combinations, colour matching etc. and imparting training to the weavers to up-grade their skills.

Objectives

- product development to evolve more marketable products by interaction between expertises available in the fields of weaving, designing and processing.
- To improve weaving techniques and accessories and appliances used in weaving.
- In improving techniques of processing.
- In training weavers by disseminating improved techniques and new designs by undertaking training programmes within the precincts of the Centre and in the field.
- In providing market support by arranging interface between designers, producers and buyers which includes execution of sample orders.
- In solving problems arising in pre-loom, loom and post loom processes and technologies
- In arranging exhibitions, seminars, workshops focusing on new and improved designs, equipments and processing techniques.
- In preserving and documenting traditional skills and revival of traditional skills and revival of traditional designs for production and marketing.
- In implementing various schemes in handloom sector of the Government of India and providing assistance and interaction with State Governments, handloom agencies such as Apex and primary co-operatives, State and private undertakings dealing in handlooms.

Set up of WSC

The multifarious facilities in the Weavers' Service Centre include:

- a) Design Section
- b) Weaving Section
- c) Dyeing/Printing Section
- d) Photography Section
- e) Administration Section

All the centers have been equipped with Computer Aided Textile Design (CATD) system. The facilities at all the centers are constantly upgraded and modernized to keep up with the modern developments and to meet the present day requirements.

Charter of service of WSCs

- Design Development
- Training
- Exhibition
- Research & Development
- Synergy & Development
- Synergy efforts
- Advisory Committee
- Market support
- Promotion of Excellence
- Help and guidance

The territorial Jurisdiction of WSCs is given in Table 1.7.

Table 1.7

Territorial Jurisdiction of Weavers' Service Centres.

Sl No	Name of the WSC	Territorial jurisdiction
EASTERN ZONE		
1	Guwahati	Assam, Arunachal Pradesh, Meghalaya, Sikkim.
2	Agartala	Tripura, Mizoram
3	Imphal	Manipur, Nagaland
4	Kolkata	West Bengal
5	Bhagalpur	Bihar, Jharkhand
6	Bhubaneswar	Orissa

SOUTHERN ZONE		
1	Chennai	Chennai, Tiruvannamalai, Cuddalore, Maduari, Ramnathapuram, Theni, Tuticorin, Thanjavur, Tiruvarur, Pudukottai, Nagapattinam, Sivaganga, Viriudhunagar, Kanyakumari, Tiriumelvally, Nagapatnam, Dindigul districts of Tamil Nadu, Pondicherry, Andaman & Nicobar Island
2	Kancheepuram	Kancheepuram, Thiruvallur, Vellore, Villupuram, Thanjuvar area of Tamil Nadu
3	Bangalore	Karnataka
4	Kannur	Kerala, Lakshadweep & Minicoy Islands.
5	Vijayawada	Coastal districts & Rayalaseema Region of Andhra Pradesh.
6	Hyderabad	Telangana districts of Andhra Pradesh.
7.	Salem	Salem, Dharampuri, Erode, Coimbatore, Namakkal, Karur, Trichy, Peramalur, Nilgiris areas of Tamil Nadu
NORTHERN ZONE		
1	Delhi	States of Delhi and Himachal Pradesh.
2	Varanasi	Allahabad, Faizabad, Gorakhpur, Varanasi, Kanpur Division of U.P.
3	Chamoli	State of Uttrakhand.
4	Meerut	Meerut, Jhansi, Bareilly, Lucknow & Agra division of U.P.
5	Panipat	States of Haryana, Punjab & Chandigarh.
6	Jaipur	State of Rajasthan.
7	Srinagar	State of Jammu & Kashmir.
WESTERN ZONE		
1	Mumbai	Konkan, Pune and Nasik Divisions of Maharashtra, Goa, Daman & Diu, Dadra and Nagar Haveli.
2	Nagpur	Vidharbha Region of Maharashtra and 5 districts of Madhya Pradesh i.e. Chindwada, Wrasone, Seoni, Jabalpur & Balaghat.
3	Ahmedabad	State of Gujarat.
4	Indore	State of Madhya Pradesh, except the 5 districts i.e. Chindwada, Wrasone, Seoni, Jabalpur & Balaghat
5	Raigarh	State of Chhattisgarh

(ii) Indian Institutes of Handloom Technology (IIHT)

Background

Of the several schemes initiated during sixties by the Government of India for the all round development of the handloom industry, which is the biggest and the most important cottage industry in India providing employment to millions of people in the rural and semi-urban areas, research and development has been the most important one. The Government of India realized that unless the handloom industry is modernized through necessary technical input, its sustenance in the face of severe competition which it has had to face from the more organized powerloom and textile industries would be difficult. The need for the technical personnel qualified in designing, loom technology and processing was greatly felt. With a view to meet this long-felt need of providing the necessary technical personnel for the development of the handloom industry, the Government of India set up following 4 Indian Institutes of Handloom Technology in Central Sector under the administrative control of Development Commissioner (Handlooms), Ministry of Textiles. The Institutes have their own buildings.

1. Indian Institute of Handloom Technology, Varanasi (set up in 1956)
2. Indian Institute of Handloom Technology, Salem. (set up in 1960)
3. Indian Institute of Handloom Technology, Guwahati. (set up in 1982)
4. Indian Institute of Handloom Technology, Jodhpur. (set up in 1993)
5. Indian Institute of Handloom Technology, Bargarh. (Set up in 2008)

In addition to the above, there are four following Institutes in the State Sector:

1. Sri Pragada Kotaiah Memorial Indian Institute of Handloom Technology, Venkatagiri, Andhra Pradesh.
2. Karnataka Handloom Technology Institute, Gadag, Karnataka.
3. Indian Institute of Handloom Technology, Champa, Chattisgarh.
4. Indian Institute of Handloom Technology, Kannur, Kerala

The above four Institutes have been provided one time Central Financial Assistance with the condition that these Institutes shall follow the curriculum of the Central Institutes.

Objectives

- to provide technically qualified personnel to meet the requirement of the Textile Sector, including Handloom Sector.
- to devise short-term and long-term training programmes for technical personnel to be employed in the Handloom and Powerloom Sectors
- to devise channels of service in order to build up the closest possible liaison between the Institutes and handloom/textile production units.

Courses Conducted

The Institutes are at present running two courses:

- i. 3 years Diploma Course in Handloom Technology (all IIHTs),
- ii. 1 ½ years Post Diploma Course in Textile Chemistry (only in IIHT, Salem & Varanasi).

Financial Assistance To Students

- a) Stipend of Diploma Course in Handloom Technology:

Stipend @ Rs.400/- per month in the Ist year, Rs.450/- p.m. in the IInd year and Rs.500/- p.m. in the IIIrd Year tenable for 10 months of the corresponding academic year are awarded by the Central Govt. and State Govt. equally.

- b) Stipend for Post Diploma Course in Textile Chemistry:

The intake for this course is 10 in each of the two Institutes at Salem and Varanasi and every candidate admitted to this course gets a stipend of Rs.500/- per month.

(iii) National Handloom Development Corporation (NHDC)

National Handloom Development Corporation (NHDC) Ltd., Lucknow is a Public Sector Undertaking set up by the Government of India in February, 1983 under the Companies Act, 1956. The registered Corporate Office of NHDC is situated at Lucknow. The authorized capital of NHDC Ltd. is Rs.20 crore and its paid up capital is Rs.19 crore. NHDC is maintaining 6 Regional Offices and 28 Branch Offices in all over the country with a total strength of 208 employees.

The main objectives of the Corporation are to:-

- Carry on the business of all types of yarn for the benefit of the handloom sector.
- Organize supply of quality dyes and related materials needed by the handloom sector.
- Promote marketing of handloom fabrics.
- Aid, assist and implement the projects connected with the production of handloom fabrics including taking up modernization programme, technology for the handloom sector.

In pursuance of the above objectives, the Corporation is undertaking the following activities:

1. Mill Gate Price Scheme (MGPS) is an important scheme of the Government of India under which yarn is supplied to the handloom weavers all over the country at the Mill Gate Price by the NHDC. Under MGPS, NHDC is operating "Depot Scheme" of the Government of India, wherein, 750 depots are in operation. The details of yarn supplied under the scheme during the last three years are given in Table 1.8.

Table 1.8
Supply of Yarn by NHDC under MGPS

Year	Quantity (in lac kg.)	Value (Rs. in lakh)
2008-09	855.11	79377.57
2009-10	1080.95	98711.15
2010-11	1105.96	119555.08

The grant released to NHDC during last 3 years under Mill Gate Price Scheme is given in Table 1.9.

Table 1.9
Grant in aid Releases under MGPS

Year	Rs.in lakh
2008-09	2959.00
2009-10	3060.00
2010-11	6500.00

2. NHDC is also supplying quality dyes and chemicals to the handloom sector at competitive prices under the scheme. The details of supplies made during last three years by the NHDC are given in Table 1.10.

Table 1.10
Supply of Dyes & Chemical by NHDC

Year	Dyes & Chemicals	
	Quantity (in lac kg.)	Value (Rs. in lakh)
2008-09	39.13	2796.56
2009-10	53.23	3107.04
2010-11	33.88	2462.00

3. In order to promote marketing of handloom fabrics, the corporation organizes special exhibitions like Silk Fabs & Wool Fabs. The Government of India reimburses the expenses incurred by the corporation in mounting these exhibitions. The details like number of exhibitions, participating agencies and total sales generated at these exhibitions during the last three years as per Table 1.11.

Table 1.11

Details of Events, Participating Agencies and Total Sales of Silk/Wool Fabs

Year	No.of Events	No.of Participating Agencies	Total Sale (Rs in Crore)
2008-09	12	994	34.43
2009-10	15	1123	44.89
2010-11	18	1268	60.74

Beside this NHDC has also set up 8 marketing complexes at Jaipur, Kolkata, Ahmedabad, Hyderabad, Kanpur, Indore, Navi Mumbai and New Delhi, where the handloom agencies from different parts of the country display and sell their handloom products to the discerned customers.

4. Corporation also undertakes the following programmes to disseminate to the weavers about the latest technologies in the handloom sector and also about the schemes being implemented by the Government of India for the development of the handloom sector and for the welfare of the weavers:

- a) Appropriate Technology Exhibitions (ATEs)
- b) Quality Dyeing Training Programme
- c) Sensitization programme on the Schemes of Office of DC(Handlooms).

The other details like turnover, profit and dividend paid by the Corporation during the last three years are as per the Table 1.12.

Table 1.12

Year wise details of Turnover, Net profit and Dividend by NHDC

(Rs.in lakh)

Year	Turnover	Net Profit	Dividend
2008-09	82948.34	393.84	80.00
2009-10	102078.03	303.51	61.00
2010-11	122674.71	431.97	87.00

(iv) **Association of Corporations & Apex Societies of Handlooms (ACASH)**

ACASH is the national level apex organization of the national and state level handloom development corporations as well as the state & inter-state level apex handloom cooperative societies. ACASH was registered in June 1984 as a Society under the Societies Registration Act, 1860. Its office is located at Handloom Pavilion, Gate No. 2, Pragati Maidan, New Delhi. There is no other office/branch of ACASH.

1. AIMS & OBJECTIVES –

The aims & objectives for which the Association is established are as follows:

- a. To provide and arrange facilities in dissemination of useful knowledge, exchange of ideas, views and information on subjects of common interest to handloom organisations;
- b. To assist member units in infrastructural development, preparation of profile and feasibility reports for establishment of processing facilities etc., transfer and development of handloom technology including the holding of training camps, seminars etc.
- c. To co-ordinate between various developmental agencies for projects and to provide information and assistance for members seeking aid from National and International agencies;
- d. To co-ordinate participation of Member units in national and international expos;
- e. To co-ordinate and defuse useful knowledge to the member units towards marketing of handloom products;
- f. To co-ordinate and assist for the exchange of handloom goods amongst constituent units, arrange Buyer-Seller Meets, and assist in the settlement of accounts thereof;
- g. To collect information regarding handloom activities including market surveys and research and work as a Data Bank for the constituent units;

- h. To assist the constituents in recruitment of managerial technical and accounting personnel;
- i. To undertake publicity for the handloom sector in India and abroad;
- j. To work for legislative and other safeguards for protection of handloom industry;
- k. To evolve systems of coordination of quality control for handloom products;
- l. Establishment of handloom complexes;
- m. To seek representation for the Association on the various committees, bodies, delegations, teams etc. set up by the Central or the State Governments in connection with the handloom;
- n. To help establish linkages with national and international organizations for marketing of handloom products;
- o. To take up welfare schemes for the handloom sector;
- p. To generally do all other things incidental to the attainment of the above objectives.

All the incomes, earnings, movable or immovable properties of the Association shall be solely utilized and applied towards the promotion of its aims & objects only and no portion thereof shall be paid or transferred directly or indirectly by way of dividends, bonus, profit in any manner.

2. MEMBERSHIP -

Membership of ACASH is open to :

- All State level Apex Cooperative Handloom Societies
- All State Handloom Development Corporations
- National or Inter-State Handloom Apexes and Corporations

At present, ACASH is having 47 members.

3. ACTIVITIES OF ACASH :

Main activities are:-

- Supply of handloom products to various Government Ministries/Departments/ Agencies, PSU etc., under Single Tender System (STS)
- Holding of and participating in handloom expos, exhibitions, trade fairs & buyer-seller meets - Domestic & International

4. MAIN ITEMS OF SUPPLY UNDER STS:

- | | | |
|--------------------|----------------------|----------------|
| i) Barrack Blanket | ii) Bed Durry | iii) Bed sheet |
| iv) Saree | v) Pillow Cover | vi) Towel |
| vii) Sponge cloth | viii) woolen blanket | |

5. THE MAIN INDENTORS :

- a) Union Ministry of Defence,
- b) Union Ministry of Home Affairs &
- c) Union Ministry of Railways.

(v) Handloom Export Promotion Council (HEPC)

The Handloom Export Promotion Council, registered under the Companies Act, 1956, was constituted in 1965 by the Government of India as the nodal agency for export promotion efforts related to the handloom textiles sector. The Council has its head office at Chennai and its Regional Office at New Delhi. A Committee consisting of elected representatives from the trade and Government governs the Council.

The Handloom Export Promotion Council has been providing services to the exporters on:-

- Dissemination of trade information & intelligence.
- Publicity abroad for Indian handloom products.

- Facilitating product diversification and adaptation to meet modern market requirements.
- Providing impetus to modernization of handlooms for the export market.
- Provision of design inputs to promote export of handloom products.
- Organization of business mission/buyer seller meets and participation in trade fairs abroad.
- Consultancy and guidance services for handloom exporters.
- Liaison with the Government of India on all procedural and policy matters relevant to the handloom export trade.
- Dealing with import promotion and commercial agencies abroad for the benefit of handloom exporters.

The Handloom Export Promotion Council has been instrumental in a big way in promoting exports by organising participation of its members in international trade fairs, exhibitions, buyer-seller meets, etc. The Council has also undertaken publicity to promote the handloom exports in international markets.

The following are the other promotional activities undertaken by HEPC:

1. The Council publishes a monthly Newsletter titled “Handloom Export”, which contains useful information connected with trade and policy matters, technical inputs, market reports, fashion trends, trade enquiries, statistical information etc.
2. The Council has brought out various booklets in connection with Buyer-Seller Meets, Trade Fairs Abroad for circulation during the fair and also for use as publicity material.
3. Council has been rendering its design services through its CAD department for the members as per their requirement. Besides, Council also provides information on Colour trend helping the members to develop their products as per the colour trend prevailing in the market.
4. The Council has set up Design Studios at Kannur and Hyderabad with financial assistance under MAI Scheme of the Department of Commerce. Proposals to set up Design Studios at Panipat and Bhubaneshwar.
5. The Council has also brought out Handloom Atlas in different foreign languages to facilitate the buyers to source their requirement of handlooms.

Export Performance: The export of handlooms during the year 2009-10 was Rs. 1252.80 crore and during the year 2010-11 (April-November 2010) it was Rs. 752.21 crore. The handloom export has registered a growth of 6.63% during 2010-11 over the corresponding period of 2009-10.

(vi) National Handicrafts and Handlooms Museum (NHHM)

The National Handicrafts and Handlooms Museum also popularly known as Crafts Museum is located at Pragati Maidan, New Delhi. It is a sub-ordinate office under the Development Commissioner for Handlooms, Ministry of Textiles. Its main objectives are to increase public awareness about the India's ancient traditions of handicrafts and handlooms, provide an interactive forum for the crafts persons, designers, exporters, scholars and public and help the crafts persons to find a platform for marketing without middlemen and to serve as a resource center for the Indian handicraft and handloom traditions. Collection, conservation and preservation of crafts specimen, revival, reproduction and development of Art and Craft are the basic activities of the Museum.

Museum Collection:

The Museum has a collection of over 32,000 artifacts consisting of Metal Icon, Lamps, Incense Burners, Ritual accessories, items of everyday life, Wood carvings, Painted wood and Paper Mache, Dolls, Toys, Puppets, Masks, Folk and tribal paintings and sculptures, Terracotta, Folk & Tribal jewellery and an entire section of traditional Indian textiles. They are exhibited in Folk and tribal Art Gallery, Temple gallery, Courtly Crafts Gallery and Textile Gallery and the rest are kept in Museum Collection store.

Visits by Eminent Persons / Delegations:

During the current year i.e. 2010, a number of distinguished persons visited the National Handicrafts and Handlooms Museum, United States first lady Mrs. Michelle Obama visited the Craft Museum on 8th November, 2010. The visit was the highlight of her recent trip in India which included her interaction with children and shopping at the Crafts Museum. In November 2010 His Serene Highness, the Prince of Lichtenstein and her Royal Highness, the Princess of Lichtenstein visited the Museum and also toured the Crafts Demonstrations Programme.

CHAPTER – 2

2.1 STATUS OF THE HANDLOOM SCHEMES/ PROGRAMMES AT THE END OF THE 11th PLAN

The Government of India is implementing five Plan schemes through Development Commissioner for Handlooms during the Eleventh Plan keeping in mind welfare measures and for providing need based interventions for holistic and sustainable development of the handloom sector. Two of these schemes are implemented through the State Governments. The details of these five schemes are given below:

- (i) **Integrated Handlooms Development Scheme** provides need based inputs to clusters of 300 – 500 handlooms or Groups of 10 – 100 weavers for making them self sustainable by providing them financial assistance for margin money, new looms and accessories, design input, skill upgradation, marketing opportunities etc. So far, 542 Cluster projects and 1789 Group Approach projects have been sanctioned during the Eleventh Five Year Plan covering 3,13,124 beneficiaries.

In addition to the above scheme, **Comprehensive Handloom Cluster Development Scheme** (CHCDS) has been introduced in 2008-09 with an objective to empower handloom weavers and build their capacity to enhance competitiveness of their products in the domestic as well as global market in a sustainable and reliant manner. The scheme covers clearly identifiable geographical locations with at least 25,000 looms in which Government of India's financial support would be up to Rs.70 crore. Four such Mega Handloom Clusters have been sanctioned so far at Varanasi (Uttar Pradesh), Sivasagar (Assam), Virudhunagar (Tamilnadu) and Murshidabad (West Bengal).

Further, 20 clusters, each covering a target group of about 5000 handloom weavers has also been sanctioned with a Govt. of India contribution of Rs. 2 crore for each clusters.

- (ii) **Marketing and Export Promotion Scheme** provides platform to the weavers and their organizations to participate in the domestic as well as international trade events and sell their products directly to the buyers. So far, 2527 marketing events have been sanctioned during the Eleventh Five Year Plan, generating sales of about Rs.1117.20 crore. Besides, the weavers and their organisations have also been helped in participating in 68 international trade events during Eleventh Plan, generating sales and trade enquiries worth about Rs.491.23 crore.
- (iii) **Handloom Weavers Comprehensive Welfare Scheme:** This consists of two separate sub schemes viz. the Health Insurance Scheme (HIS) for providing Health Insurance to the Handloom weavers and Mahatma Gandhi Bunkar Bima Yojana (MGBBY) for providing Life Insurance Cover in case of natural/accidental death, total/partial disability due to accident. Under Health Insurance Scheme, 16.11 lakh families of handloom weavers and workers were covered during the policy period of 2009-10. During the policy period 2010-11, 7.07 lakh weavers' families have been covered so far out of the proposed 17.97 lakh families of handloom weavers and workers. Under MGBBY, 5.11 lakh handloom weavers were enrolled during 2009-10 and 5.21 lakh handloom weavers were enrolled during 2010-11.
- (iv) **Mill Gate Price Scheme:** This scheme makes available all types of yarn at Mill Gate Price to the eligible handloom agencies to facilitate regular supply of basic raw material to the handloom weavers and to optimize their employment potential. During the Eleventh Plan, so far, 3893.62 lakh kg of yarn valuing Rs. 3783.58 crore has been supplied to the handloom weavers under the Scheme.
- (v) **Diversified Handloom Development Scheme:** This scheme provides assistance for technological and skill-upgradation of weavers, design inputs

and product development through 25 Weavers' Service Centres and 05 Indian Institutes of Handloom Technology all over the country to improve the productivity and earnings of the handloom weavers.

2.2. The details of financial assistance provided by Government of India, Office of DC(Handlooms) under the various schemes of Handloom Sector being implemented during the 11th Plan are given in Table 2.1.

Table 2.1
Financial assistance provided during the 11th Plan
(Rs. In Crores)

S.No.	Name of the Scheme	11 th Plan Allocation	2007-08	2008-09	2009-10	2010-11	2011-12 B.E.
1.	Integrated Handloom Development Scheme (IHDS)	605.00	110.50	108.98	115.57	168.00	164.70
2.	Marketing & Export Promotion Scheme (M&EPS)	175.45	23.42	45.00	49.60	58.59	55.60
3.	Diversified Handloom Development Scheme (DHDS)	73.00	9.07	16.00	13.72	17.78	24.10
4.	Mill Gate Price Scheme (MGPS)	92.00	23.50	29.59	30.60	65.00	55.60
5.	Handloom Weavers' Comprehensive Welfare Scheme (HWCWS)	425.00	126.09	124.87	119.85	116.14	160.00
	Total	1370.45	292.58	324.44	329.29	425.11	460.00

CHAPTER -3

MARKETING , EXPORTS, BRAND BUILDING AND PROMOTION OF HANDLOOM PRODUCTS

3.1 Progress of the Marketing & Export Promotion Scheme during the XI Plan:

With a view to develop and promote the marketing channels in domestic as well as export markets and bring about linkages between the two in a holistic and integrated manner, the Marketing & Export Promotion Scheme was launched on 16th November 2007 as Centrally Sponsored Plan Scheme for implementation during the 11th Five Year Plan.

The Scheme has following two Components:-

1. Marketing Promotion.
2. Handloom Export Promotion.

3.1.1 Marketing Promotion

(a) Objectives of Marketing Promotion Programme:

- i. To assist in the sale of handloom products by organising of exhibitions at National Level, Regional Level, State Level and District Level;
- ii. To provide facilities to the consumer to purchase genuine handloom products from different parts of the country under one umbrella;
- iii. To serve as a window for promoting awareness among consumers about the latest designs and varieties of fabrics produced in the handloom sector;

- iv. To provide marketing infrastructural support to Handloom Agencies in major cities and towns with a view to creating permanent outlets to make available quality handloom products to the consumers at one place;
- v. To provide group merchandising under one roof by making available handloom products of different States at one place with a view to enhancing marketing of handlooms;
- vi. To encourage innovation in designs and techniques and preserve and promote traditional skills and designs among handloom weavers;
- vii. To assist in creation of marketing infrastructure for the use of handloom weavers and agencies;
- viii. To foster awareness of brand identity and promote the development of a brand of handlooms of Pan National importance and for the International Market; and
- ix. To promote awareness of technological developments and advances among weavers for improving quality and productivity of handloom sector.

(b) Sub-components under Marketing Promotion :

The Marketing Promotion envisages a wide gamut of activities for the promotion and marketing of handlooms. For ease of implementation and monitoring, these activities are being carried out through the following components: -

- A. Organisation of Exhibitions, Events and Craft Melas
- B. Setting up of Urban Haats
- C. Setting up of Marketing Complexes
- D. Publicity and Awareness
- E. Geographical Indication Act
- F. Handloom Marketing Complex, Janpath, New Delhi
- G. Handloom Mark

A. Organisation of Exhibitions, Events and Craft Melas: -

In order to provide opportunity to handloom weavers to market their products, and to expose consumers to handloom products from different parts of the country, a number of handloom exhibitions are held at National, Regional, State and District Levels. In addition, this component provides assistance for marketing and promotion of item-specific, area-specific and fibre-specific handloom products. Further, this component has provision for assisting Handloom Weavers to participate in the Craft Melas, thus providing a variety of handloom products to the consumer under one umbrella.

A 1.1 National Handloom Expo

As a part of the marketing strategy and publicity measures, the office of the Development Commissioner for Handlooms has been organizing National Handloom Expos and Special Expos. With the passage of time, these events have gained popularity and sales generated at these events have increased significantly. These expos are organised for a period ranging 2 to 3 weeks.

Participants :

- i. All levels of Handloom Apex Cooperatives, Corporations/Federations and Primary Cooperative Societies.
- ii. Non-Government Organisations engaged in Handlooms and fulfilling the norms laid by CAPART.
- iii. Self-Help Groups engaged in handloom production.

The National Handloom Expos are organised by National Handloom Organisations like NHDC, ACASH etc., State Governments directly or through a State level handloom Agency/Federation and Weavers Service Centres.

A1.2 Special Expos

In order to diversify marketing channels, in addition to National Handloom Expos, Special Expos are also organised at national level, regional level and state level. The State level Special Expo are organised for handloom products of that State. The Special Expos are for a duration of two to three weeks.

Participants :

- (i) All levels of Handloom Apex Cooperatives, Corporations/Federations and Primary Cooperative Societies.
- (ii) Non-Government Organisations engaged in Handlooms and fulfilling the norms laid by CAPART.
- (iii) Self-Help Groups engaged in handloom production.

National Level Special Expos are organised by a National Handloom Organisation like NHDC, ACASH etc., State Government, State Handloom Development Corporation and State Handloom Apex Cooperative Societies. Regional Level Special Handloom Expo are organised by a National Handloom Organisation like NHDC, ACASH etc. State Level Special Handloom Expo are organised by the State Government directly or by the State Level Handloom Corporation/Apex Cooperative Society/Federation.

A1.3 District level Events

Since 1996-97, the office of Development Commissioner (Handloom) has been promoting marketing of handloom products through established District Level Events/Fairs/Festivals. In view of their popularity and benefits, this activity has been continued in the 11th Plan too.

Participants :

- Handloom Weavers
- Primary Handloom Weavers Societies

The Director of Handlooms and Textiles in the States/UTs, State Handloom Development Corporations, State Level Handloom Cooperative Federations/Apex Societies, District Rural Development Agencies, WSCs, Implementing Agencies of handloom clusters selected under the Handloom Cluster Development Programme in the Integrated Handloom Development Scheme are the implementing agencies for District Level Events.

A1.4 Craft Melas

Craft Melas are the joint activity of the Offices of the DC (Handlooms) and DC (Handicrafts). Under this component, Handloom Weavers are sponsored for participation in the following Craft Melas; Surajkund at Faridabad (Haryana), Shilpgram in Udaipur (Rajasthan), Taj Mahotsav in Agra (U.P.), Shilparamam in Madhopur, Hyderabad (Andhra Pradesh), Patiala Heritage Festival at Patiala (Punjab), Zonal Craft Mela, Bhubaneshwar (Orissa) and Zonal Craft Mela, Mumbai (Maharashtra) etc.

New Craft Melas are also added to the above list if need is felt in consultation with the Union Ministry of Tourism etc. The objective of the Melas is to promote the sale of handlooms and handicrafts. All the above Craft Melas are annual features. These melas provide an opportunity to weavers and artisans to demonstrate their traditional skills and display beautiful designs and variety of handloom products to the consumers.

Participants :

National Awardees, Merit Certificate holders, State Awardees will be given preference in this order. Other weavers can also participate.

The Implementing agencies for organising the Craft Melas are the designated agency of the State Government where the Craft Mela is to be held.

N.B. - The year-wise details of marketing events organized are given at **Annexure-1**.

B. Setting up of Urban Haats:

This component of the Scheme envisages setting up of Urban Haats at prime locations of tourist and business importance in the country. The participating craftspersons/weavers sell handicraft/handloom products directly to the customers. This provides adequate direct marketing facilities to the craftspersons/weavers and eliminate middle agencies. Another feature of the Haat is that there is adequate stalls selling authentic Indian cuisine of various regions in the country by rotation.

This component of the scheme is implemented through State Handicrafts/Handlooms Development Corporations/State Tourism Development Corporations with sufficient financial resources and organizational capacity to implement the project. The details of functional urban haats and urban haats under progress are given at **Annexure-2 & 3**.

C. Setting up of Marketing Complexes:

This component of the scheme is aimed at providing marketing assistance by setting up Marketing Complexes with a view to create permanent marketing outlets for handloom weavers/agencies. The component envisages setting up of Marketing Complexes in major Cities/towns of India catering to the concept of `One Stop Shopping`.

The Development Commissioner for Handlooms may select an appropriate national level handloom agency like NHDC, Handloom Export Promotion Council, ACASH or a State Level Apex Handloom organisation, with adequate financial and organizational resources to implement the project. In the case of a state level handloom organization, the said organization should be sponsored by the State Government.

D. Publicity and Awareness: The following activities are covered under this component:

1. Production of Films, Documentaries, Telefilms
2. Participation in National Festivals like Republic Day etc.

3. Print and Electronic Publicity
4. Seminars and workshops
5. National Awards and Sant Kabir Awards
6. Master Creation Programme
7. Appropriate Technology Exhibitions
8. Buyers sellers Meets including reverse buyer seller meet
9. Miscellaneous Promotional Activities/Events like Road Shows, Live Demonstrations, Fashion Shows etc

D-1.1 PRODUCTION OF FILMS, DOCUMENTARIES & TELEFILM

In order to create awareness and understanding among the public about the handloom sector, various types of films, documentaries, video clips, telefilms, etc. can be made under this component. These films/documentaries/telefilms/video clips can be shown on the television channels, in handloom expos/events, in special events etc.

The proposal from National Handloom Development Corporation (NHDC)/ Association of Corporations and Apex Societies of Handlooms (ACASH), State Governments, State Handloom Development Corporations/State Handloom Apex Cooperatives, Weavers` Service Centres are considered for this component.

D-1.2 NATIONAL FESTIVALS

The Office of the Development Commissioner for Handlooms, with the help of National Institute of Fashion Technology (NIFT), has been participating in the National festivals like Republic Day. The proposal for this component may come from NIFT.

D-1.3 PRINT AND ELECTRONIC PUBLICITY

Publicity relating to handlooms is taken up by way of printing of posters, pamphlets, brochures, books, catalogues, advertisements and syndicated columns /articles/ editorials/

special supplements in newspapers and magazines etc. Information on various handloom schemes is also printed in the national as well as regional languages.

The proposal for this component may come from NHDC, ACASH, State Handloom Development Corporations, State Apex Cooperative Societies and Weavers` Service Centres or any other agency found competent.

D-1.4 SEMINARS AND WORKSHOPS

On various occasions, Seminars/ Workshops are organised to discuss and disseminate the latest know – how in handloom technology, design development, revival of traditional designs etc.

The proposal for this component may come from NHDC, ACASH, Weavers` Service Centres, National Centre for Textiles Design, National Handicrafts & Handlooms Museum, etc.

D-1.5 NATIONAL AWARDS

In order to provide recognition to the best and the most deserving work among Handloom Weavers, National Awards and National Merit Certificates are given to the selected Master Weavers. National Awards consist of a Certificate, Angavastram, a copper plaque and cash award of Rs.1.00 lakh and National Merit Certificate award consists of a certificate and a Cash award of Rs.50000/-. A Committee constituted for the purpose does the selection of weavers.

This activity is undertaken in collaboration with the Office of the Development Commissioner for Handicraft who gives National Awards and Merit Certificates to its artisans and the expenses on Infrastructure, publicity and incidentals is shared equally between the two Offices.

D-1.6 MASTER CREATIONS PROGRAMME

In order to provide an opportunity to the National awardees to present their products to the public, a special programme namely Master Creations Programme is jointly organised every year by the Offices of Development Commissioner for Handlooms & Development Commissioner (Handicrafts), at Dilli Haat, New Delhi.

The implementing agency for the Office of the Development Commissioner for Handlooms is Weavers Service Centre, Delhi.

D-1.7 APPROPRIATE TECHNOLOGY EXHIBITION

Under this activity, exhibition-cum-training programmes on technological developments in the handloom sector are organised by selected agencies such as NHDC, WSCs and IIHTs. This programme is useful to the weavers enabling them to gain knowledge about the latest technologies being adopted, as well as allow them to market their products produced using the advanced technology, through the exhibition.

The proposal for this component may come from NHDC, Weavers` Service Centres and IIHTs.

D-1.8 BUYER SELLER MEETS INCLUDING REVERSE BUYER SELLER MEETS

Market penetration through participation in Buyer-Seller Meets including Reverse Buyer-Seller Meets is undertaken through this component.

The proposal for this component may come from NHDC, ACASH, State Governments, State Handloom Development Corporations/State Handloom Apex Cooperatives, Weavers` Service Centres etc.

D-1.9 MISCELLANEOUS PROMOTIONAL ACTIVITIES/ **EVENTS**

This component includes publicity and promotional measures like road shows, live demonstrations, momentos, fashion shows, cultural exchange programmes including weavers exchange programmes approved/sponsored by various Ministries/Departments like Tourism, Culture, Office of the Development Commissioner for Handlooms etc. and any other media tool that may be found useful by the Development Commissioner (Handlooms) in publicizing and popularizing the handloom sector.

The proposal for this component may come from NHDC, ACASH, State Governments, State Handloom Development Corporations/State Handloom Apex Cooperatives, Weavers' Service Centres etc.

E. Geographical Indication(G.I.) Act

In order to prevent imitation of design/technique etc. by others, a component viz. Geographical Indication Act was introduced for implementation during the 11th Plan. Under this component, financial assistance of Rs 1.50 lakh per product is provided to the States for registration of specialized designs/techniques so as to protect those designs/techniques from imitation. During 11th plan, financial assistance to register 35 items under G.I. Act has been provided so far. The detailed list of items is given at Annexure-4.

F. Handloom Marketing Complex, Janpath, New Delhi :

The Ministry of Urban Development and Poverty Alleviation, Government of India had allotted 1.779 acres of land at Janpath, New Delhi to the Ministry of Textiles for construction of a world class Handloom Marketing Complex to provide infrastructural support to handloom agencies with a view to create permanent marketing outlets that will enable handloom agencies to augment their sales as also make available quality Handloom Products to the discerning consumers. The handloom marketing Complex (under construction) in the capital of India will serve as a window to the vast variety of handloom products produced all over the country by talented weavers. It will act as a forum for the

promotion of handloom products both in the domestic and international market. The new building will house handloom agencies and attract discerning Indian and foreign buyers for shopping. The complex is likely to be ready by December 2011.

G. Handloom Mark

Branding adds to enhancing the economic value of products and provides a focus around which product attributes and benefits can be articulated in a manner attractive to the consumers. Handloom Mark, launched by the Hon'ble Prime Minister on 28th June, 2006, is very important step in establishing a strong brand image for handloom products. The purpose of Handloom Mark is to distinguish a handloom product from the powerloom and mill made products. Handloom Mark will be used for brand building of handloom products in India and abroad. The progress on implementation of handloom mark during the last few years is given in Table 3.1.

Table 3.1
Progress of implementation of Handloom Mark

Year	No. of Registrations	No. of Labels Sold (in lakh)
2006-07	1280	15.12
2007-08	2265	61.43
2008-09	1423	38.20
2009-10	1244	32.71
2010-11	1532	46.95

Beneficiaries: Individual weaver, master weavers, retailers, Corporations/Cooperatives and exporters.

Implementing Agency: Textile Committee – a Statutory Body under the administrative control of the Ministry of Textiles.

3.1.2 HANDLOOM EXPORT PROMOTION

(a) Objectives of Handloom Export Promotion

- i) To identify and assist suitable Apex/Primary handloom cooperative societies & corporations in developing the products that are export-worthy by providing interventions such as engaging professional designer for design development, up-gradation of skill, engaging of a professional Marketing Consultant etc.
- ii) Market penetration through participation in International Exhibitions, Buyer-Seller Meets including Reverse Buyer-Seller Meets etc. as also publicity and brand development through Handloom Mark and other measures.

(b) Sub-components under Handloom Export Promotion

- i. Export Project
- ii. International Fairs & Exhibitions
- iii. Setting up of Design Studios
- iv. Miscellaneous Promotional Events/Activities

i) Export Projects

This component provides financial assistance to eligible handloom agencies to develop export worthy handloom products through design intervention of qualified designers and international marketing thereof by way of participation in international fairs and exhibitions.

The National and State level Handloom Corporations, Apex/Primary handloom Cooperative societies are eligible to implement this component.

The State Directors In-charge of Handlooms & Textiles and Weavers Service Centres can recommend proposals of the eligible handloom agencies for this component.

ii) International Fairs & Exhibitions:

Under this sub-component, eligible agency such as Handloom Export Promotion Council, Associations of Corporations and Apex Societies of Handlooms (ACASH), Handicrafts and Handlooms Export Corporation of India (HHEC) etc. are funded for participation in international fairs & exhibitions.

iii) Setting up of Design Studios:

In order to widen the scope and provide innovative designs, colour forecast etc. to a larger number of exporters, the component of setting up of Design Studios was introduced for implementation during the 11th Plan. The Implementing Agency for setting up of Design Studio is Handloom Export Promotion Council (HEPC)/Consortium of HEPC and Exporters and State Government. HEPC is the nodal agency for its monitoring.

iv) Miscellaneous promotional events/activities:

Miscellaneous promotional events/activities may include Sourcing Shows, publication of exporters' catalogues/brochures/directories, CD-Rom including development and maintenance of web-sites, deputation of weavers for setting up sales counters and live demonstrations during international exhibitions/fairs in India and abroad/ participation in cultural exchange programmes agreed between India and other countries boosting exports or any other activity/measure that may be considered useful in dissemination of information/promotion and development of export market will be considered on merits of the proposal by the Development Commissioner for Handlooms. Funding for this component depends upon the merit of the proposal.

Note: The year-wise details of Physical and Financial progress of the scheme under various components is given in **Annexure-5 & 6.**

3.2 Evaluation of the Scheme:

M/s Planman Consulting (India) Pvt. Ltd. has been entrusted to evaluate the Marketing and Export Promotion Scheme for its effectiveness, usefulness and give suggestions for improvement in the scheme. The Planman Consulting (India) Pvt. Ltd., in its draft report has submitted its findings as below:

1. Most of the participating weavers are full time weavers.
2. It is noticed that more sales has taken place in market promotion events if compared with open market.
3. The overall impact of the scheme is good in all level of events.
4. The number of registrants have increased during the schemes and got a good platform for selling their products.
5. Participant weavers in all level of events are very happy with various aspects of the events like process of registration, effectiveness of event in sales increment, effectiveness in product promotion etc.
6. Most of the participants believe that activities of the schemes should be continued in same manner.
7. Participants are also happy with the functioning of urban haats.
8. Participant weavers, Government officers/organizers and exporters are satisfied with handloom mark scheme.
9. Most of the participants expressed that they want to participate in national level, State level and District Level events in future.
10. Main sources of funds for the events are Ministry of Textiles, Implementing agencies and State Governments.
11. It was also noticed that funds allocated for the events are not sufficient and there should be some increase in the funds allocation.
12. Almost all of the weavers got benefitted from the events.
13. Government officers/organizers are happy to continue with the current events.
14. Most of the exporters are members of HEPC.

15. Exporters are satisfied with the functioning of the events and they have also benefitted from the scheme.
16. Awareness is very less among exporters about re-introduction of ITC(HS) Codes.
17. Government officers/organizers, participant weavers, exporters are united on one point that more advertisement either through TV or through other channels like posters, hoardings etc. is very essential for success of the events.
18. It is also suggested by most of respondents that duration of events in terms of 'day hours' and 'number of days per event' should be increased.

3.3 Recommendations on Marketing, Exports, Brand Building and Promotion of Handloom Products for the 12th Five Year Plan

Handloom weaving is a labour intensive occupation of converting yarn into fabric and is spread mostly in rural areas all over the country. Though, RigVeda and Purans give reference to different kinds of fabrics pointing towards the existence of art of weaving, the Industrial revolution and corresponding mechanization of various processes involved in the production of textiles have had major impact on the handloom production. The sector is facing stiff competition from Powerloom sector in terms of cost of production of the fabric. Handloom covers a very wide range of fabric both in terms of variety/utility and pricing. Therefore, the members felt it necessary that a sound marketing strategy for domestic as well as exports must be developed on clear understanding of the product itself and the marketing segments it caters to. There are different markets for different products and marketing initiatives need to be structured and targeted accordingly. It must take into account the difference in approach required for domestic and export market with special emphasis on brand promotion, creation of marketing infrastructure at various levels, extensive publicity & promotion campaign on National TV and Radio on the pattern of Incredible India, promotion of e-marketing, restructuring and revitalization of State level Handloom Corporations/Emporiums, providing enhanced marketing incentive to offset the cost and productivity disadvantage with Powerloom etc. The Sub Group constituted on Marketing, Exports & Brand Promotions had strongly recommended for special emphasis on domestic marketing and creation of necessary infrastructure required for widespread availability of handloom products to all segments of the consumers.

Keeping in view the above aspects and recommendations of the Sub-Group constituted on Marketing, Exports, Brand Building and Promotion of Handloom Products, the Working Group recommended continuation of existing Marketing and Export Promotion Scheme which has two components viz. Marketing Promotion and Export Promotion with appropriate modifications and incorporating new recommendations.

3.3.1 Marketing Promotion Programme : This component will have the following sub components namely :

I) Organization of exhibitions, events and craft melas:

- a) Mega Handloom Expo
- b) National Handloom Expo
- c) National Level Special Handloom Expo
- d) Regional Level Special Handloom Expo
- e) State Level Special Handloom Expo
- f) District Level Event
- g) Craft Mela
- h) Participation in Local Weekly Haats

II) Setting up of Urban Haats- Urban Haats will have two formats-

- a) Large Urban Haats in Metropolitan & Big Cities (minimum 8000 sq.mts. area)
- b) Small Urban Haats at State & District Hq. level Cities (2500 to 4000 sq. mts. area)

III) Setting up of Permanent Marketing Complexes (Shops on rotational basis)

IV) Setting up of retail stores under One Brand Name

- a) Large retail outlets (2000-3000 sq.ft) in major cities and State Capitals
- b) Small retail outlets (500-700 sq.ft) at Airports/Railway Stations/Metro Stations/Tourist Spots/Colleges/BPO Campuses/Main Markets of every State Capitals/Secretariat buildings/Embassies etc.

V) Development of Web Portal for e-marketing and single point access to information (Resource Centre)

VI) Publicity and Awareness, Brand building including **celebrity endorsements.**

VII) Handloom Mark

VIII) Geographical indication Act

IX) Marketing Incentive

X) Strengthening of Handloom Organisations

XI) **Innovative ideas.**

The brief details of the above sub-components are as follows-

I. Organisation of exhibitions, events and craft melas

i. Mega Handloom Expo:

It is proposed to organize a mega handloom expo of two weeks duration at metro cities like Delhi, Chennai etc during festive season with participation of 400 to 500 handloom agencies including weaver entrepreneurs, self help groups engaged in production of quality handloom products. The self help groups of NER region will be given preference for their exposure. The expo will be organized in one or two metropolitan cities every year. Besides retail sales of handloom items, other promotional and commercial activities like live demonstration of weaving, block printing and dyeing technique, workshops, panel discussions, fashion shows, buyer-sellers meet etc will be organized during the expo. It is proposed to give TA/DA, Hotel accommodation charges, lump sum grant for transport expenses to participating handloom agencies/weavers. Budget provision of Rs 15 crore per Mega Handloom Expo is proposed.

Implementing Agency for Mega Handloom Expo will be National Level Organisations like NHDC, ACASH, HEPC, HHEC, WSCs or any other professionally managed agency having experience in Handloom sector with the approval of the office of Development Commissioner for Handlooms.

ii. National Handloom Expo & Special Handloom Expos (National Regional & State Level):

The above category expos will continue to be organized in the same format as being presently done. These expos have given not only direct marketing platform to the weavers, but also the opportunity to understand the market demand so as to bring the changes in their design, colour combination and introduction of newer fibers. **However, to provide the benefit to larger segments of the handloom weavers and agencies, the scope of eligible participants is proposed to enlarge.** In addition to the existing eligible participating agencies i.e. All levels of Handloom Apex Cooperatives, Corporations/Federations and Primary Cooperative Societies, NGOs engaged in handlooms and fulfilling CAPART norms, Self Help Groups engaged in handloom production, following agencies will also be eligible to participate in the above expos:

- a. Weaver entrepreneurs
- b. National, State & Sant Kabir Awardess
- c. Consortiums & Producer Companies
- d. SPVs of Handloom Clusters
- e. Member registered with HEPC

The implementing agencies of the Expos recommended are National Level Organisations like NHDC, ACASH, HEPC, HHEC, WSCs, Other central Government Organizations supporting Handloom Sector, State Governments directly or through State Level Handloom Corporations /Apex Cooperative Societies / State Handloom Societies and any other professionally managed agency having experience in Handloom sector with the approval of the office of Development Commissioner for Handlooms.

It is proposed to enhance the Government Grant during 12th Plan for organizing these expos to meet the infrastructure and publicity cost. The Events will be organized on no profit-no loss basis. The proposed Grant and number of expos to be organized every year are given in Table 3.2.

Table 3.2
Proposed Grant and no of expos to be organized every year under MEPS

Type of Expo	Existing Grant Rs in Lakh	Proposed Grant Rs in Lakh	No. of Expos to be organized in a year
National Handloom Expo (Population>20 lakh)	38.00	50.00	30
National Handloom Expo (Population<20 lakh)	18.00	25.00	
Special Handloom Expo (National Level)	20.00	30.00	70
Special Handloom Expo (Regional Level)	10.00	20.00	15
Special Handloom Expo (State Level)	8.00	12.00	60
Special Handloom Expo (State Level-NER)	10.00	15.00	25

iii. District Level Events:

District Level Events (DLE) are organized especially on special occasions such as local festivals and fairs etc. These events help the weavers to sell their products in the local market. It is proposed to organize 500 DLEs per year during 12th Plan and enhance the Govt. Grant from existing Rs.2 lakh per DLE to Rs.4 lakh per DLE to meet up infrastructure and publicity cost. Handloom weavers, Primary Handloom Weavers Cooperative Societies, weaver entrepreneurs of the same district, SHGs of handloom clusters and NGOs of the same and neighbouring district involved in handloom activities are proposed to be the eligible

participants. The duration of DLEs will be of one week and Director of Handlooms & Textiles in the State /UTs. directly or through State Handloom development Corporations/Federations/Apex Societies/State Handloom Society, District Rural Development Agencies, Implementing Agencies of handloom clusters and Weaver's Service Centres will be the implementing agencies of DLE.

iv. Craft Melas:

The handloom weavers especially National & State awardees, Merit Certificate holders, Sant Kabir awardees will be sponsored for participation in approved craft melas, which are annual features, to sell and promote handloom products. These melas provide an opportunity to the weavers to demonstrate their traditional skills and display beautiful designs and variety of handloom products to the consumers. At present 8 craft meals are approved for participation, however, new craft melas like Pushkar, Tirupati etc can be added with the approval of Development Commissioner for handlooms. It is proposed to enhance the grant from Rs. 10 lakh to Rs. 15 lakh per Craft Mela for the 12th Plan.

v. Participation in Local Haats/Mandis:

Haat Bazaar is a common market place where consumers and producers meet once or twice in a week to sell whatever they produce. To promote and tap potential of rural marketing, it is proposed to create infrastructural facility in the existing haats/mandis near small towns to enable handloom weavers to sell their products locally to consumers at affordable prices in required quantity and quality with reduced incidental expenses and elimination of middleman.

The State Governments through local bodies will explore the potential haats in handloom weaver's concentrated area. It is proposed to provide assistance for 50 local haats every year with a financial assistance @ Rs. 5 lakh per local haats to create infrastructure for handloom weavers. It is expected that these local haats would provide platform for marketing and direct interaction with consumers and buyers and would help the weavers to produce appropriate products to suit the needs of a known tangible customer.

II. Setting up of Urban Haats:

The objective of the Urban Haat is to set up permanent marketing infrastructure at prime locations in the country to provide marketing outlets to the handloom weavers and craftpersons on the pattern of Dilli Haat and scheme will be jointly funded by Office of Development Commissioner for Handlooms and Office of Development Commissioner for Handicrafts.

In view of the popularity of Urban Haats and with the objective to promote handloom & Handicraft products and provide widespread marketing infrastructure facilities, two formats of urban haats are proposed to be introduced during the 12th Plan.

(i) Large Urban Haats in Metropolitan and Big cities:

The existing guidelines and funding pattern (70% by Government of India and 30% by Implementing Agency) will be the same for such Urban Haats during 12th Plan also. However, due to difficulty in getting 18000 sq. meters land at prime locations in NER and non-metropolitan cities (land requirement for Metropolitan cities is already 8000 sq. Metres), it is proposed to reduce land requirement criteria from 18000 sq. mtrs. to 8000 sq. mtrs. for all cities at par to metropolitan cities. It is also proposed to enhance the project cost from existing Rs 3 crore to Rs 5 crore per urban Haat during 12th Plan.

(ii) Small Urban Haats of size 2500 to 4000 sq. Meters:

Small size Urban Haats are proposed to be established at commercially potential district and state level cities. The project cost of such urban haats will be Rs. 1 crore to be shared in the ratio of 80:20 between Govt. of India and Implementing Agency. The land cost will not be included in the project cost. In case, Office of the Development Commissioner Handicraft is not willing to share the contribution due to non availability of handicraft artisans in that area, entire Govt. of India share will be borne by the Office of the Development Commissioner for Handlooms.

It is recommended to set up 5 large urban haats and 20 small size urban haats per year during the 12th Plan. Further, A lump sum Grant of Rs. 20 lakh in the first year and Rs. 15 lakh in 2nd year will be provided by the Government of India for publicity purposes.

II. Setting up of Permanent Marketing Complexes :

It is recommended to set up 5 Permanent Marketing Complexes in major cities to provide marketing infrastructural support to handloom agencies and weavers. These shops in the marketing complexes will be allotted for fixed time period (2 to 3 years) on rotational basis to handloom agencies and weavers. The implementing agency will be responsible to maintain the complex on fixed service charge basis out of income generated from rental charges. The shop rental charges and service charges to implementing agency will be approved by a committee headed by Development Commissioner for Handlooms having representative from Implementing Agency, State Govt. and Handloom weaving Community. The upper limit of project cost will be Rs. 40 crore including land cost. The Government of India will bear 80% of project cost including land cost and 20% will be borne by the Implementing Agency. 100% cost of interiors and common area will be borne by the Government of India.

IV. Setting up of retail stores under One Brand Name :

The handloom sector is capable to produce niche and designer products to create a market among the youth and high end consumers and way ahead is to pursue brand building and to make niche handloom products for high end consumers and fashion conscious youth. Though, Handloom which is purest form of art is a brand in itself , easy availability of quality product is required to be made for its popularisation and sale. To cater the needs of younger generations, high end consumers and large middle class population with capacity to spend, it is proposed to set up retail stores in major cities and State Capitals under **one brand name** in following 2 formats:

- ❖ Large retail outlets (2000-3000 sq. ft.)
- ❖ Small retail outlets (500-700 sq. ft.)

It is recommended to open 50 retail stores of each format during the 12th Plan period. The large retail stores (2000-3000 sq.ft. size) will be opened at prime locations and will be run by forming a joint venture company of suitable Government Agencies with the vision to enter into foreign market as a future expansion plan. The small size retail outlets (500 to 700 sq.ft. size) will be opened at Airports, Railway Stations/Metro Stations/ Tourist Spots/Heritage Hotels/ Collages/BPO Campuses/Main Markets of every State Capital/Secretariat Buildings/Embassies etc. For small outlets, option of taking store on lease basis will also be explored. The funding pattern for establishing the retail stores will be 80:20 between Government of India and the Implementing Agency. For both types of retail outlets, option of franchisee model, and public-private partnership (PPP) mode will also be explored. A Budget Estimate of Rs. 325 crore is proposed for opening these retail stores during the 12th Plan Period.

V. Development of Web-portal for e-marketing and resource centre:

It is proposed to create an elaborate web-portal at National Level with the objective of serving as a resource centre and provide e-marketing platform with **b2b and b2c** facility. The website will be a single point easy access to information pertaining to policies and schemes, map of handloom clusters with product details, traditional weaving and dyeing techniques, product wise and region wise information about handloom products and weaving techniques, designer database, production capacity etc. Handloom societies, State Handloom Cooperatives, Weavers entrepreneur, National awardees, exporters and potential handloom weavers will be able to upload their product profile with contact details and production capacity. Freelance designers will be allowed to upload their resumes and designs for providing data base and design support.

Association of Corporations & Apex Societies of Handlooms (ACASH) is recommended as the implementing agency of the website and will be responsible for creation, maintenance and publicity of the website. To provide strong design support, there will be a provision to create a pool of qualified designers on contract basis on the pattern of National Centre for Design and Product Development (NCDPD). A provision for hiring of marketing consultant will also be provided for market survey and research, establishing liaison with

exporters, private buying houses and helping the handloom agencies and weavers in marketing and sale of their product.

Budget estimate of Rs. 10 crore is proposed for development of web portal, its maintenance and upgradation, hiring of designers and marketing consultations and administrative expenses.

VI. Publicity and Awareness including Brand Building :

It is recommended to continue all the sub components under Publicity and Awareness of the existing scheme under implementation. Besides above, it is proposed to promote handlooms aggressively through National TV and Radio on the pattern of **Incredible India**. For this purpose, professionally competent agency will be hired and financial provision will be made for this purpose. There is a need to have Brand Ambassadors for promoting handlooms. To create awareness and increase popularity among younger generation, it is recommended to have celebrity endorsement as part of promotion. The uniqueness of this fabric needs to be promoted alongwith the fact that it is the most eco-friendly way of production that can provide a livelihood to such a large number of people living mostly in rural areas. Big corporate houses, Airlines may be approached for using and promoting handlooms domestically and internationally also. A budget provision of Rs. 20 crore per year with a total outlay of Rs. 100 crore for the entire Five Year Plan is proposed for Publicity & Brand building.

VII. Handloom Mark:

Powerloom products pose serious competition to handloom products on account of their cost advantage and can be passed on as having been produced on handloom. The Handloom Mark distinguishes handloom products from powerloom and mill products. Handloom Mark serves as a guarantee to the buyer that product being purchased is genuinely hand woven. In the 12th Plan, it is proposed to undertake intensive publicity of Handloom Mark to generate confidence among consumers. It is proposed to allocate Rs. 60 crore for promotion of Handloom Mark during 12th Plan. As a policy measure, it is recommended that

power loom division should also introduce Powerloom Mark for the benefit of the consumers in choosing the right kind of fabric as per his/her need.

VIII. Geographical Indication Act:

It is proposed to continue this component during the 12th Five Year Plan for seeking protection of traditional designs and patterns under the G.I. Act. It is proposed to enhance financial assistance per product to Rs. 7 lakh for meeting the expenses in registering the designs/products under G.I. Act. In view of the process of registration under G.I. Act being highly specialised work, the group also recommended to impart training to personnel of implementing agency. For effective enforcement of G.I. registration, it is also proposed to provide assistance of Rs. 5 lakh per product for post registration awareness programmes, publicity and other related activities. A Corpus fund of Rs. 5 crore is also proposed to be created for providing legal assistance for effective implementation and to prevent misuse of G. I. by others. The budget estimate of Rs.6 crore is proposed for this component during 12th Five Year Plan. It is proposed to register 50 handloom products during the 12th Five year plan.

IX. Marketing Incentive :

The Marketing Incentive is given to the handloom agencies for preparing conditions that are conducive to marketing of handloom products and to offset the cost disadvantage with respect to Powerloom and Mill Sectors. At present, 10% marketing incentive is given to the handloom agencies which are shared in the ratio 50:50 between Central Government and State Government. The products sold through retail outlets (one brand large & small outlets) proposed to be opened during 12th plan will also be eligible for availing M.I. In order to give boost to handloom sector and make handloom products more competitive, it is proposed to enhance the Marketing Incentive from present 10% to 20% to be equally shared between Central Government and State Government. A budget estimate of Rs.1000 crore is proposed under this component for the 12th Five Year Plan. The Sub-Group also recommended to provide 20% Special Incentive to State Governments for Government purchases of Handloom products. For this purpose, a budget estimate of Rs. 300 crore is proposed for the 12th Five Year Plan.

X. Strengthening of Handloom Organisations:

The State Handloom Corporations and Apex Societies play a very vital role in providing marketing platform to the handloom weavers and societies and making availability of quality handloom products to the consumers. Over the years, the performance of State Handloom Corporations and Apex Societies is gradually declining due to high overheads, overstaffing and non professional approach and management. It is very essential for the handloom sector to revive and strengthen these State level Handloom Organizations with a view to make them viable by enhancing their credit limit, working capital, excellent merchandising and adopting best management practices. It is proposed to provide financial assistance towards restructuring of national and state level handloom organizations during 12th Plan. In order to avail assistance for this component, the organization must prepare a business plan for improving their viability by streamlining their business policies and rationalizing their manpower. The turn around strategy in the form of a bankable project would have to be cleared by the concerned bank / financial institution and by the State Level Project Committee. The project would be prepared by an independent Management Consultancy organization approved by DC(Handlooms). The concerned bank/financial institution would approve the project, in principle, outlining the outgo of funds required for a turn around of the organization. For such projects, the financial support would be extended on a 50:50 sharing basis between the Central and the State Governments for the seed money required for such restructuring. A budget estimate of Rs. 100 crore is proposed under this component for 12th Five Year Plan.

XI. Innovative ideas:

Upto 10% of the funds allocated for the scheme may be utilized towards innovative ideas, which may emerge during the course of implementation of the programme and might not have been incorporated in the scheme.

3.3.2 Export Promotion Component: This component will have the following sub components namely:

- I) Export Projects,
- II) Participation in international fairs,
- III) Organization of Reverse Buyer Seller Meets.
- IV) Setting up of design studios
- V) Awareness Programme for Quality Assurance Certification.

I. Export Projects :

The objective of Export Project is to develop export worthy handloom products through design intervention by the qualified designers of NIFT/NID etc. and International marketing of the handloom products by way of participation in International fairs and exhibitions held in India and abroad.

The National and State level Handloom Corporations, Apex /Primary Handloom Cooperative societies and members registered with HEPC will be the eligible agencies to implement export projects.

The recommended upper limit of project cost will be Rs. 28 lakhs consisting of Government of India share of Rs. 21 lakhs and implementing agencies' share of Rs. 7 lakhs.

The State Directors in-charge of Handlooms & Textiles and Weavers' Service Centres will be the agencies for recommending the export projects for implementation.

A project evaluation committee consisting of the following will evaluate the project for approval at HQ level:

- ADC (Handlooms)
- MD, CCIC
- MD, HHEC
- ED, HEPC
- 3 Experts from outside to be nominated by the DC(HL).

II. Participation in International Fairs and Exhibitions:

The objective of participation in International fairs and exhibitions is to provide marketing platform to member exporters in the overseas markets for marketing of handloom products and publicity and provide wide publicity and development of handlooms as a Brand.

The eligible agencies proposed for participation in International fairs and exhibitions with Government grants are Handloom Export Promotion Council (HEPC) and exporters registered with HEPC, Association of Corporations & Apex Societies of Handlooms (ACASH), Handicrafts and Handloom Export Corporation of India Ltd., (HHEC) and Implementing agencies of Handloom Clusters approved by the Development Commissioner for Handlooms.

It is proposed to enhance the financial assistance for participation in International fairs during the 12th Plan as per following:

- a) Financial assistance @ Rs. 5 lakh per participant subject to a minimum of 5 participants will be provided towards **space rent, stall construction /decoration and maintenance including administrative expenses.**
- b) The expenditure on **publicity** will be shared in the ratio of 60:40 between the Government of India and the implementing agency.
- c) A **travel grant** of Rs. 60,000 per participant or actual expenditure incurred whichever is less will be provided to participants. In case of officials of HEPC / ACASH /HHEC, 100% travel grant will be provided.

III. Organization of Reverse Buyers-Sellers Meets

Under this component, the assistance to reverse visits of prominent buyers and representative of leading buying houses etc for visiting important trade fairs/exhibitions/BSMs in India will be provided. It is proposed to enhance the grant for this component from Rs. 30 lakh to Rs. 50 lakhs during the 12th Plan.

IV. Setting up of Design Studios:

The objective of setting up of Design Studios is to provide innovative designs and colour forecast etc. to the exporters. HEPC / consortium of HEPC and Exporters, and State Governments are the eligible agencies for setting up of design studios. The Group felt that the Design Studio needs to be linked to institutions which have the knowledge of designing. These can also be setup in selected WSCs, with appropriate linkages with institutions such as NIFT, NID etc. A sum of Rs. one crore in the ratio of 80:20 between the Government of India and the Implementing Agency will be provided for setting up of Design Studio.

V. Setting up of Display-cum-CFC and Quality Testing Unit:

In order to boost the export of handloom products and showcase the products/samples at one place with centralized state of art Quality Testing Unit, it is proposed to set up 2 Display-cum-CFC and Quality Testing Unit at Panipat and Karur which are two major centre of export of Handloom products. The total project cost will be shared between the Central Government and the Implementing agency in the ratio of 80:20 subject to the maximum Government of India grant of Rs. 25 crore. The project cost would not include the cost of land, which will be borne by the Implementing agency.

VI. Programme for Generating Awareness on Quality Assurance:

Price, quality & service are three primary elements that need to be continuously monitored at every stage of the textile value chain. With the increasing demand of the quality textiles in the international market by the buyers, it is high time that handloom weavers and agencies engaged in the production of the fabric should be educated about requirement of quality parameters, various testing methods, human rights etc. to produce the quality textiles achieving compliance to International, Regional or Retailers specified standards and avoid future rejections.

To fulfill the above objectives, it is proposed to create awareness amongst weavers and handloom agencies about various International quality standards and impart training to develop skills in basic testing of materials and textiles at various stages of production and

finishing by the trained quality professional at the cluster itself so that weavers do not make extra expenditure to get the testing done at other locations. 10 such Workshops in different handloom clusters shall be carried out every year and budget estimate per workshop will be Rs. 5 lakhs. It is expected that by educating the weavers at the grass root level will ensure that handloom weavers produce right quality to remain competitive in the world textiles trade.

3.3.3 Policy Recommendations for 12th Five Year Plan:

1. The Indian Embassies will be requested for showcasing handloom products in their premises. The embassies will also be persuaded to celebrate **‘India Weaves Week’** once in a year to promote handloom products. During the celebration, live demonstrations, extensive publicity and promotional activities will be organized alongwith retail sales. HEPC will be the Nodal Agency for the Implementation and coordination with Embassies. It is proposed to organize the celebration of “India Weaves Week” in five Embassies every year, for which HEPC will be provided a sum of Rs. 20 lakh per Embassy.
2. Handlooms and Khadi both are fibre & fabric base sector and are competing in the same market and both have cultural value of **“SWADESHI”** attached with them. Therefore, in order to have a single policy for both sectors, it is recommended that KVIC may also be brought under the purview of Ministry of Textiles as this Ministry is already catering to the development of fibre and fabric base sectors. The promotion of Khadi Sector can be synergized with the branding and marketing activities of handloom products.
3. To safeguard the interest of consumers and differentiate between Handloom and Powerloom products, it is recommended that Powerloom Mark may also be introduced for Powerloom products / fabrics.
4. In coordination with Ministry of Tourism & Ministry of Culture, it is proposed to promote Textile Tours to important Handloom weaving centres by inviting well known tour operators in India & Abroad and create awareness amongst the people. Two such tours may be organized every year.

3.4 Financial outlay proposed for 12th Five Year Plan:

The proposed outlay for the 12th Five Year Plan for Marketing and Export Promotion Scheme is Rs. 2867.50 crore. The component-wise break-up for Marketing and Export Promotion Scheme for 12th Plan is given in **Annexure-7.**

CHAPTER - 4

INFRASTRUCTURE AND CLUSTER MODEL

4.1. PROGRESS OF HANDLOOM CLUSTER SCHEMES DURING XI PLAN:

Cluster approach for the first time was adopted for handlooms in 2006-07. At that time, the subject was new and there were only a few players, having experience in implementation of the Cluster Development Programme. The details of the Cluster programmes so far adopted are as follows:

4.1.1 Integrated Handloom Cluster Development Scheme (IHCD)

Integrated Handloom Cluster Development Scheme (IHCD) was introduced in 2006-07 for holistic and integrated development of 20 Handloom Clusters, each having about 5000 handlooms to be developed at a total cost not exceeding Rs.2.00 crore per cluster. Each cluster is to be developed over a period of 5 years (initially it was for 4 years) with an upper Central share of Rs.2.00 crore per cluster. The scheme is flexible to accommodate any component, depending on felt needs of the cluster. The scheme is under implementation as Central Sector Scheme and financial assistance is released directly to the implementing agencies. Under the scheme, various interventions based on the need of the Clusters are approved by the Apex Committee, headed by the Secretary (Textiles). Apex Committee also monitors the progress of each Cluster. The names of the 20 Clusters with their Implementing Agency are at **Annexure-8**.

For implementation of various interventions in these clusters, a sum of Rs.28.96 crore has been released till date, benefitting more than 1.50 lakh handloom weavers/workers.

Hard Interventions undertaken:

Under this Scheme, various hard interventions like replacement of reeds and healds, providing new looms/jacquards/dobbies/pneumatic systems, take-up motions etc. have been made. Details are at **Annexure-9**. These supplements have improved the quality of fabric and introduced new weaving techniques in the clusters. 20 Clusters have also been sanctioned Common Facility Centers (CFCs) & Dye houses. Out of which, 11 CFCs & 18 Dye houses are in operation. These interventions, except CFCs are implemented in the Public- Private Partnership (PPP) mode, wherein GOI share is 80% and remaining is borne by the Consortium/weavers.

The progress of the Clusters is monitored by the Technical Resource Persons (TRPs), National Resource Agency (NRA), Development Commissioner (Handlooms) and the Apex Committee.

Since the 20 Handloom Clusters covered a large geographical area, ranging from a radius of 5 kms. to 40 kms., thus, it was difficult for the Cluster Development Executive (CDE) to implement these interventions. It was therefore, decided to introduce Integrated Handlooms Development Scheme in XI Plan with a Cluster Development Programme and Group Approach Projects.

4.1.2 Integrated Handlooms Development Scheme (IHDS)

The Integrated Handlooms Development Scheme (IHDS) has been introduced during 2007-08 for its implementation during the XI Plan as a Centrally Sponsored Plan Scheme for the development of Handloom Sector and welfare of handlooms weavers. The scheme aims to focus on formation of weavers group as a visible entity, develop the Handlooms Weavers Groups to become self-sustainable, inclusive approach to cover weavers both within and outside the Cooperative fold, skill up-gradation of handlooms weavers/workers to produce diversified products with improved quality to meet the market requirements, provide suitable workplace to weavers to enable them to produce quality products with improved productivity etc.

The main Cluster related components of the scheme are as follows:

- (i) Cluster Development Programme,
- (ii) Group Approach

(i) **Cluster Development Programme** – Cluster, having 300-500 handlooms are taken up for development in a time frame of 3 years at an upper cost of Rs.60.00 lakh per cluster. Assistance is provided for formation of consortium, raw material support, skill up-gradation, design development and product diversification, Infrastructure/Common Facility Centre, Publicity & Marketing, Project Management cost, purchase of new looms, Dobby, Jacquard, Accessories, Margin money and construction worksheds etc. During the period 2007-08 to 2010-11, 541 Cluster Development Project have been sanctioned and a sum of Rs.122.17 crore released, benefiting 2,56,858 handloom weavers. Under the scheme, financial assistance is released to the Implementing Agencies (IAs) through the State Government concerned. Eligible IAs under the Scheme are Director of Handlooms & Textiles, State Handloom Corporations, Apex Co-operative Societies, NGOs (recommended by the State Govt. and approved by the Office of the Development Commissioner for Handlooms), National Handloom Org. and Central Govt. Organizations. Central assistance is released in three installments i.e 1st installment of 30%, 2nd installment of 40% and 3rd installment of 30%. State-wise numbers of Clusters sanctioned are at **Annexure-10**. Under the Scheme, Components like purchase of CATD system, Dye House, holding Exhibitions/Buyers-Sellers Meet, Basic Inputs (new looms/jacquards/dobbies/margin money/accessories) etc. are implemented with the contribution by the State Govt./Implementing Agency/Beneficiary.

(ii) **Group Approach** - Handloom weavers, who are not covered by the clusters, are supported through a ‘Group Approach’, implemented in a project mode. A group, consisting of 10 weavers or more but upto 100 weavers is provided financial assistance for (i) Basic inputs; (ii) Training in weaving, dyeing, designing and managerial disciplines; and (iii) Construction of Worksheds. Per beneficiary cost is in the range of Rs.10,000/- to Rs.30,000/-. State-wise numbers of Groups sanctioned are at **Annexure-10**.

During the period 2008-09 to 2010-11, 1788 Group Approach Projects have been sanctioned and a sum of Rs.84.48 crore has been released, benefitting 55,866 weavers.

Under IHDS, Cluster and Group Approach projects are submitted to this office by the State Government with the recommendations of State Level Project Committee (SLPC) and releases are made to the Implementing Agencies through the State Govt. concerned.

Hard Interventions undertaken:

Under IHDS, hard interventions like replacement of reeds and healds, providing new looms/jacquards/dobbies/pneumatic systems, take-up motions, accessories etc. have been taken up. Details are at **Annexure-9**. Apart from these, 60 CFCs/Dye-houses have been sanctioned.

Monitoring of the projects is done by the respective State Directorate of Handlooms, Development Commissioner (Handlooms) and Nodal Officer concerned of the Office of the Development Commissioner (Handlooms).

4.1.3 Comprehensive Handloom Cluster Development Scheme (CHCDS)

Hon'ble Finance Minister in the Budget for 2008-09 announced for taking up two Mega Handloom Clusters at Varanasi (U.P.) and Sivasagar (Assam). For development of these clusters, the Comprehensive Handloom Cluster integrated and holistic development Scheme (CHCDS) was introduced as Central Sector Scheme in 2008-09. Each cluster covers over 25,000 handlooms and is developed at an upper Central share of Rs.70.00 crore in a time period of 5 years. In 2009-10, two additional Mega Handloom Clusters have been taken up, one each in Virudhnagar (Tamil Nadu) and Murshidabad (West Bengal). Components of the scheme are as follows:

- Corpus for raw material
- Credit for working capital,
- Construction of Worksheds,
- Skill up-gradation,
- Technology up-gradation,
- Design Studio including Computer Aided Design System,
- Marketing Complex,
- Value addition (setting up of garment unit),

- Dye house,
- Common Infrastructure,
- Publicity etc.

(i) Cluster Management and Technical Agency (CMTA)

Under the Comprehensive Handloom Cluster Development Scheme (CHCDS), there is a provision to appoint Cluster Management and Technical Agency (CMTA). The role of CMTA is to proactively work with the cluster stakeholders and the SPVs in implementation of the interventions. The responsibilities of the CMTA are Conducting diagnostic study, preparing the DPR, sensitizing and mobilizing the stake holders to be part of the proposed project, establishment and structuring of the SPVs, assisting the Ministry/SPV in releasing/mobilizing funds for the project. Such mobilization would involve preparation of proposals under relevant schemes of the Government apart from tying up loans from the banks, assisting the SPV in obtaining requisite statutory approvals/clearances, assisting the SPV in identification and engagement of service providers/consultants for various services relating to specific handloom technology, processing, designing, skill development, marketing, financing etc., providing periodical progress reports to the Ministry of Textiles with respect to achievements of the stated outcomes etc. The details of CMTA of Mega clusters are given in Table 4.1.

Table 4.1
Cluster wise CMTA details

Name of Mega Handloom Cluster	Name of the CMTA
Varanasi and Murshidabad	M/s Technopak Advisors Pvt. Ltd., Gurgaon
Virudhunagar	M/s The Tamilnadu Handloom Weavers Cooperative Society Ltd. (Co-optex), Chennai
Sivasagar	Entrepreneurship Development Institute of India (EDI), Ahmedabad

(ii) Project Approval and Monitoring Committee (PAMC)

PAMC is headed by Secretary (Textiles), with representatives from Planning Commission, Ministry of Finance etc. for the following purposes:

- To consider and approve the Detailed Project Report (DPR) of the respective Mega Handloom Cluster.
- To approve the cost of each of the Project proposals of Special Purpose Vehicles (SPVs), monitoring of the projects, physical and financial progress of the progress.

Cluster-wise details are as follows:

(a) Varanasi Mega Handloom Cluster

- So far 2 CFCs, 01 Marketing Centre & 2 Value Addition Centers have been sanctioned to 3 SPVs in March 2010. These projects are being set up and are in different stages of implementation. Additional 5 CFCs have been approved by Project Approval and Monitoring Committee (PAMC) on 23rd May 2011. An amount of Rs.6.73 crore has been released to these SPVs.
- An amount of Rs.5.00 crore has been sanctioned as “Corpus Fund” to NHDC for setting up of Yarn Bank for supply of Yarn in the Varanasi Mega Handloom Cluster.

(b) Sivasagar Mega Handloom Cluster

- 6 CFCs have been sanctioned to 2 SPVs in March 2011. An amount of Rs. 6.73 crore has been released to these SPVs.
- An amount of Rs.1.50 crore has been sanctioned as “Corpus Fund” to NHDC for setting up of Yarn Bank for supply of Yarn.

(c) Virudhunagar Mega Handloom Cluster

9 interventions have been sanctioned viz. Up-gradation looms (plain to Pedal), Pirn winding machine, Jacquard, Pneumatic Jacquard Machine, Healds and Reeds, dobby, workshed for looms, etc. in February 2011. An amount of Rs.5.99 crore has been released for implementation of the Project.

(d) Murshidabad Mega Handloom Cluster

PAMC has approved the Detailed Project Report for implementation of various interventions such as setting up of Silk Reeling Unit, Spun Silk Unit, Common Facility Centre, Printing Unit etc. in the Murshidabad Mega Handloom Cluster. Expressions of Interests (EoIs) are being invited through issue of an advertisement in newspapers.

4.2 EVALUATION OF HANDLOOM CLUSTER SCHEMES

Evaluation of two clusters i.e. Varanasi & Chirala was conducted by Planning Commission through Craft Revival Trust, New Delhi in 2009. In addition, 10 handloom clusters i.e. Bargarh, Imphal, Kurinjipadi, Gadag, Sonepur, Chanderi, Mubarakpur, Bijnore, Shantipur and Madhavaram have got been evaluated by the Office of the Development Commissioner for Handlooms through an independent agencies in 2010. In respect of the clusters sanctioned in 2007-08 & 2008-09 under the Integrated Handlooms Development Scheme, five independent agencies have been appointed by the Office of the Development Commissioner for Handlooms as Cluster Resource-cum-Monitoring Agencies. Evaluation of the Integrated Handlooms Development Scheme, covering Cluster Development Programme, Group Approach Projects, Marketing Incentive and Strengthening of Handloom Organizations is in progress. The major recommendations of the evaluation studies conducted so far for improving the effectiveness of the cluster development programmes are as follows:

- ☐ To increase duration of the cluster development Scheme by atleast one year,
- ☐ Awareness programmes/workshops should be conducted to a larger extent,
- ☐ Designer need to be made accountable for the marketability of their designs,

- ☐ Extend assistance to electrify the weaver homes to ensure proper lighting over the looms,
- ☐ The BSMs & participation in exhibitions has increased the sales. However, local BSMs need to be organized,
- ☐ Up-gradation of dye-house has improved access to weavers and ensured quality of product but needs more such up-gradations,
- ☐ To increase the amount of Margin Money per weaver from Rs. 6000 to Rs. 20000,
- ☐ To form more number of Self Help Groups (SHGs) with women participation,
- ☐ To provide more and more hard interventions to individual weavers to improve quality and productivity,
- ☐ To set up yarn depots in the Clusters,
- ☐ To provide Project Management Cost to the Central/State Govt. offices (as Implementing Agencies) at par with others,
- ☐ To appoint dedicated Cluster Development Executive in each cluster,
- ☐ To establish more and more market linkages so as to eliminate middleman,
- ☐ To increase the cost of various sub-components of the Basic Input Component,
- ☐ For Basic Input sub-components, the funding pattern should be 80:20 between the GOI and IA/beneficiary as many States delay in release of their share. For efficient and timely fund availability, contribution by the State Govt. may be excluded.
- ☐ Financial assistance to the Implementing Agency should be released directly.
- ☐ IA should report the progress through e-reporting.

4.3 RECOMMENDATIONS OF THE WORKING GROUP

The Working Group on Handlooms met on 7th June 2011 and 17th August 2011 under the Chairpersonship of Smt. Rita Menon, Secretary (Textiles) and was informed of recommendations made by the Sub-Group on Infrastructure and Cluster Model. While considering the recommendations of the Sub-Group, the Working Group looked into the physical & financial progress of existing Cluster Development Programmes, the problems faced in the implementation of the Cluster Development, decline in the number of handlooms as per the Handloom Census of 2009-10 vis-à-vis the Handloom Census of 1995-96, recommendations of the evaluation studies undertaken so far etc. After detailed deliberated, the Working Group made the following recommendations for the XII Plan:

I. As a policy matter, the Group strongly recommends to **continue Clusters Development Approach** in the Handloom Sector for integrated and holistic development of the geographically handloom concentrated pockets.

II. Consolidation of existing clusters

- a) The Group felt that as large numbers of clusters have been taken up during the XI plan, therefore, there is a need to consolidate them, failing which the entire efforts made so far may get futile. Consolidation refers to filling the gaps in the well performing existing clusters so that the clusters sustain after the Govt. exit.
- b) Consolidation of the existing clusters should be given priority over the new clusters.
- c) This may require funding towards various hard interventions like marketing, upgradation of handlooms, margin money, purchase of yarn, formation/strengthening of the consortium/Producers' Company, product development, appointment of Cluster Development Executive etc.
- d) Estimated requirement of funds for carrying out these activities is upto Rs.20.00 lakh per cluster plus fee to be paid to the CDE.
- e) Requirement of funds will vary from cluster to cluster and will be based on the assessment by the independent agency, which will provide inputs in terms of the interventions required and their cost.
- f) Maximum time period for carrying out various interventions for consolidation of existing clusters is 2 years.
- g) The proposals for consolidation of the existing clusters will be received by this office from the State Govt. concerned with the recommendations of State Level

Project Management Unit (SLPMC), headed by Commissioner/Director of Handlooms. The funds will be released accordingly by this office to the Implementing Agencies through the State Govt. concerned.

III To Take-up New Handloom Clusters

- a) The Working Group strongly recommends taking up the clusters with reduced size vis-à-vis the size of clusters taken up in the XI Plan for focused and concentrated efforts. More focus has to be directed towards small size cluster (200 – 400 looms) implementation. However, medium & large clusters may also be taken up on need basis.
- b) Clusters of different sizes will be adopted. Sizes of clusters recommended by the Sub-Group are 200-400, 2000-4000 and more than 15,000 handlooms per cluster.
- c) The Group felt that new clusters may be preferred in the regions where models of functioning clusters exist.
- d) The Group felt that designer is an important input for development of new & innovative designs, having marketability. However, marketing has been the weak link. The Working Group, therefore recommends to change the nomenclature of designer to Designer-cum-Marketing Executive who will be responsible for development of designs and marketing of handloom products.
- e) The Group felt that engagement of a designer on freelance basis for visiting the cluster for 7-10 days in a month is not adequate. The Working Group, therefore recommends to engage the Designer-cum-Marketing Executive on full time contractual basis in the medium & large clusters and to set up a pool of Designer-cum-Marketing Executive, may be in the ratio of one Designer-cum-Marketing Executive for four small size cluster.
- f) The Working Group felt that appointment of Cluster Development Executive for each cluster is equally important and in the absence of full-time CDE, he/she is

not able to concentrate on the activities relating to development of the cluster. The Group, therefore strongly recommends appointing dedicated Cluster Development Executive (CDE) for each cluster, who should be properly selected, having requisite qualification and experience with defined job chart.

- g) It was felt that proper training of CDE on the cluster approach is necessary so that he/she may work for the development of the cluster. The Working-Group, therefore, recommends providing training & re-training to the CDE for at least 15 days from a institution of repute.
- h) It was felt that under the cluster Development Programme, the weavers are benefitted, both directly and indirectly while the ancillary workers are hardly covered. The Group, therefore, recommends that weavers and ancillary workers should be eligible to avail financial assistance for pre-loom, on-loom and post-loom activities.
- i) The Working Group felt that in some States, there has been in-ordinate delay in release of funds to the Implementing Agencies, which delays the implementation of the projects. In order to overcome this problem, the Group strongly recommends that the cluster having 200-400 handlooms or 2000-4000 handlooms will be implemented through the State Level Handloom Society, set up in the States under the Registration of Societies Act/State Government. State Level Handloom Society will be set up with Principal Secretary (handlooms) as ex-officio Chairman, State Commissioner/Director (Handlooms) as ex-officio Vice Chairman and Joint/Deputy Director of the State Govt. as CEO on deputation basis. Society will be manned with 4-5 officials. The Society will be provided administrative cost @10% of the project cost. This Society will oversee all the aspects of the implementation of the various components in the cluster scheme. The Society will receive the proposals, which will be approved by the State Level Project Management Unit, headed by the State Commissioner/Director (Handlooms). Based on the approval, grant will be released to the Society, which in turn will pass on to the Implementing Agencies.

- j) The Working Group felt that a State Level Committee for recommending the projects should not only have the officials but also include the experts, having knowledge of the handloom sector. The Group, therefore recommends that State Level Project Management Unit, headed by the Commissioner/Director of Handlooms, besides officials should also have experts.
- k) Funding for various interventions by the GOI, State and IA/beneficiary will be in the ratio of 80:10:10 while for the States like J&K, North Eastern States (including Sikkim), Chhattisgarh, Jharkhand and Uttrakhand will be in the ratio of 90:5:5.
- l) The Working-Group recommends that duration of the project should be counted from the date of sanction of 1st installment and suggested duration for each size of the cluster is as follows:
- For clusters with 200-400 handlooms – 4 years,
 - For clusters with 2000-4000 handlooms – 4 years,
 - For clusters with more than 15000 handlooms – 5 years,
- m) The Group recommends the Implementing Agency for each size of the cluster as follows:

For clusters with 200-400 and 2000-4000 handlooms

- State Director of Handlooms & Textiles,
- National Level Handloom Organizations,
- State Level Handloom Organizations
- Central Government Offices (working for handlooms),
- NGOs (working for handlooms),
- Handloom Weavers Co-operative Societies - only for clusters having 200-400 handlooms per cluster,
- Autonomous Organisations, having experience of working in handlooms,
- Any other Agency nominated by the Central/State Govt.

For clusters with handlooms more than 15,000.

- Special Purpose Vehicle (SPV)
 - Any other Agency nominated by the Central Govt.
- n) It was felt that over a period, cost of the inputs have gone up and will go up in the next 5 years. Also, flexibility needs to be provided to accommodate the felt needs of the clusters so that it sustains after the Govt. exit. Considering the facts, the Working-Group recommends the quantum of maximum Central Assistance per Cluster as follows:
- Clusters of 200-400 looms – Rs. 75 lakh per cluster,
 - Clusters of 2000-4000 looms – Rs. 6 crore per cluster,
 - Clusters of more than 15,000 looms – Rs. 40 crore per cluster,
- o) It was also felt that soft interventions like awareness programmes, capacity building, formation of Self Help Groups, establishing credit linkages etc. need to be capped at certain level over the project cost.
- p) The Working Group also felt that with the increase in the size of the cluster, the geographical area also increases and therefore, it may not be manageable by only CDE. The Working Group, therefore recommends that in addition to CDE, supporting staff may also be provided in the clusters of 2000-4000 and more than 15,000 handlooms.
- q) The Working Group observed that in the on-going clusters, having 300-500 handlooms per cluster, limited components with their upper ceiling has provided, which is not appropriate and felt that flexibility in terms of selection of components and their requirement should be left to the Implementing Agency and should be based on the diagnostic study of the cluster. The Working Group after detailed deliberations recommends following components of the Cluster Development Programme:
- Baseline survey & diagnostic study,
 - Awareness programmes,
 - Formation of SHGs and credit linkage,

- Technology up-gradation for pre-loom, on-loom and post-loom activities, including Basic Inputs and solar lights,
 - Product development/diversification,
 - Engagement of Designer,
 - Setting up of CATD system & Card Punching Machine,
 - Raw Material Bank,
 - Formation of Consortium,
 - Margin Money for working capital, interest subvention & credit guarantee fee,
 - Market Development – holding exhibitions, BSMs, publicity etc. for domestic & international markets,
 - Skill Up-gradation in technical and managerial disciplines,
 - Setting up of Common Facility Centre (CFC), having pre-loom, on-loom and post-loom facilities/Dye House,
 - Value addition,
 - Construction of individual & common worksheds,
 - Documentation of cluster activities in soft & hard form,
 - Project Management Cost,
 - Any other component as reported in the diagnostic study/requirement of the cluster etc.
- r) In respect of the new clusters (200-400 handlooms or 2000-4000 handlooms per cluster), the consolidated proposals will be sent to this office by the State Level Handloom Society/nodal agency nominated by the State Govt. Accordingly, the funds will be released to the State Level Handloom Society/Nodal agency. Every State will have State Level Project Management Unit (SLPMC), headed by Commissioner/Director of Handlooms to approve the projects.
- s) It was felt that in order to ensure credit availability by the Banks, provision of Margin money for working capital, interest subvention and credit guarantee cover has been included. The Group also recommends that Micro Financial Institutions (MFIs) may also be considered for lending to the weavers and such MFIs may also be provided interest subvention and credit guarantee cover.

- t) To avoid disruption and discontinuity in implementation of the cluster project, the funds should be released in two or more installments. First installment will be released as advance and subsequent installments will be released on utilization of 70% of the previous installment.
- u) The clusters having more than 15000 handlooms per cluster will be implemented directly by the office of the Development Commissioner for Handlooms through SPV or any other Agency nominated by the Central Govt. The DPR of the cluster will be approved by the High Level Committee, headed by Secretary (Textiles). The project will be implemented in the PPP mode. GOI will contribute 70% while the remaining will be borne by the SPV. In addition, SPV will also arrange the land.

IV Other components of the Cluster Scheme

- a) The Working Group observed that there has been lack of proper guidance, monitoring etc. of the Cluster Development Programme, especially in respect of the clusters having 300-500 looms per cluster. The Group, therefore strongly recommends to set up cluster cell at the Headquarter office (office of the Development Commissioner for Handlooms) to deal with the cluster programme, including liaisoning with the State Govts./IAs, examining the proposals, release of the financial assistance, monitoring etc. At the same time, mentors/monitors will also be engaged at the field level in all States to advise the Implementing Agencies in the implementation of the Cluster Development Programme, follow-up with the State Govts./Implementing Agencies, monitoring & reporting the progress to this office etc.
- b) It was felt that during the course of implementation of Scheme, some new ideas may emerge, which may not be a part of the Scheme and if so, the implementation of the Scheme will be jeopardized. The Working-Group, therefore, recommends that upto 15% of the funds allocated for the Scheme may be utilized towards innovative ideas.

- c) The Working-Group felt that there have been instances where State specific needs have arisen, which does not fit in any scheme of this office and requires formulation of a new Scheme. As a result, the timely benefits could not be extended to the weavers of such projects. Therefore, in order to take account of such State- requirements, the Working-Group strongly recommends to take up State Specific Projects, spread either in different pockets of the State or single large pocket, having specific requirements in terms of the components or their costing or concept etc., wherein the funding by the GOI and State/IA will be in the ratio of 80:20 while for the States like J&K, North Eastern States (including Sikkim), Chhattisgarh, Jharkhand and Uttarakhand will be in the ratio of 90:10. Such projects will be implemented by the State Govt./State Handloom Agency.
- d) Upto 5% of the budget allocated for the Scheme may be utilized towards publicity, monitoring, supervision, performance linked incentivisation to the CDE/Designer etc. of the cluster, cluster cell, training of the officials working under the Office of the Development Commissioner for Handlooms/State Directorate of Handlooms/CDEs and his/her supporting staff, evaluation of the Scheme etc.

V. Group Approach:

- a) The Working-Group felt that all weavers of the country may not be covered under the Cluster Development Programme as there are pockets, which have lesser number of handlooms as prescribed for the clusters and cannot be covered under Clusters. Hence, such weavers cannot be deprived of the benefits of the handlooms. The Working-Group, therefore recommends for continuation of the Group Approach in the XII Plan period. The proposed components of Group Approach are Skill up-gradation, Individual workshop, Basic Inputs (new handloom/dobby/jacquard/margin money/accessories/Solar lights). Size of the group will be in the range of 5-20 weavers with an average cost per beneficiary of Rs. 90,000/-. The funding for these components will be similar to Clusters.

4.4 The proposed financial outlay for 12th Period is given in Table 4.2

Table 4.2
Proposed Financial Outlay for XII Plan

S. No.	Activity	Number of Activities	Amount per Activity	Total Amount for activity (Rs. in crore)
1.	Consolidation of existing Clusters	400 clusters	Rs. 25 lakh	100.00
2.	New Clusters			
	200-400 handlooms	400 clusters	Rs. 75 lakh	270.00
	2000-4000 handlooms	100 clusters	Rs. 6 crore	540.00
	More than 15000 handlooms	30 clusters	Rs. 40 crore	840.00*
3.	Fee to the State Level Handloom Society for clusters of 200-400 handlooms and 2000-4000 handlooms	500 clusters	10% of the project cost	81.00
3.	State specific Handloom projects	30 projects	Rs. 10 crore	270.00
4.	Group Approach Projects	1500 projects	Rs.18 lakh	240.00
	Sub-total (a)			2341.00
5.	Innovative Ideas		Upto 15% of the Scheme	300.00
6.	Publicity, Advertisement, Monitoring, Supervision, Training and Evaluation of Scheme		Upto 5% of the Scheme	100.00
	Sub-total (b)			400.00
	Total (a+b)			2741.00*
	Net Fund Requirement			1901

Note: Rs. 840 crore for mega cluster will be utilized from Mega Cluster scheme of Ministry of Textiles.

CHAPTER - 5

RAW MATERIAL

Introduction:

Handloom is the largest economic activity after agriculture providing direct and indirect employment to more than 43 lakh person. This sector contributes nearly 10% of the cloth production in the country and also contributes to the export earning of the country.

Availability of quality raw materials and credit are the key factors for the growth of handloom sector. To suggest ways and means and strategy to ensure availability of raw material i.e. yarn, dyes & chemicals for the handloom sector in the 12th Plan, the Working Group formed a Sub Group on Credit & Raw Material.

5.1 Progress of the Mill Gate Price Scheme during the XI Plan:

5.1.1 With the objective to provide all types of yarn to the handloom weavers' organizations at the prices at which it is available in Mills, the Government of India introduced the Mill Gate Price Scheme during 1992-93. Under the scheme, the Government of India reimburses the transportation expenses involved in the supply of yarn from Mill to Godown of the User Agencies. National Handloom Development Corporation (NHDC), is the nodal agency for implementation of the scheme.

All types of yarn required for production of handloom items are covered under the scheme. The yarn is being arranged by NHDC from the mills as per the requirement of the user agencies and transported to the godown of the agency. There is also a provision for supply of yarn to the individual weavers through the yarn depots. 750 yarn depots are functioning throughout the country.

The agencies, which are eligible to avail of the benefit of the scheme are as under:-

- All Handloom organizations of National/State/Regional/Primary handloom level.

- Handloom Development Centre.
- Handloom producers/exporters/manufacturers registered with HEPC/any other export promotion council under Ministry of Textiles/Director of Industries/Handloom of State/U.T.
- All approved export houses/trading houses/star trading houses for production of handloom items.
- Member of recognized/approved handloom associations.
- NGOs fulfilling CAPART norms.
- Any other agency approved by the Office of the Development Commissioner (Handlooms), Ministry of Textiles, Government of India.

Under the Mill Gate Price Scheme, following assistance is provided by the Government of India as per rates mentioned below:

- (i) Freight reimbursement for transportation of yarn.
- (ii) Expenses of operating the yarn depots @ 2.5%, based on actual.
- (iii) Service Charges to NHDC for its role as nodal agency for the implementation of the Mill Gate Price Scheme.

The expenditure incurred towards Freight for transporting of yarn and operating the yarn depot are initially paid by the NHDC to the eligible agencies and is subsequently reimbursed to the NHDC by the Government of India.

The rate of reimbursement admissible in the MGPS for transportation, depot operation and Service charges to the NHDC for supply of yarn is subject to maximum out of the total value of yarn supplied is as given in Table 5.1.

Table 5.1

Area & yarn-wise Freight rates, depot operating charges and Service Charges
admissible under MGPS & Service Charge

(% of value of yarn supplied)

Area	Freight - For other than Silk & Jute Yarn	Freight - Silk Yarn	Freight - Jute Yarn	Depot operating charge	Service Charge to NHDC
For Plains	1.0%	1.0%	7.0%	2.5%	1.5%
For Hills & Remote Area	1.75%	1.25%	8.0%	2.5%	1.0%
For NER	3.0%	1.5%	8.5%	2.5%	0.75%

5.1.2 Physical Progress of the Scheme

The details of yarn supplied & yarn depot year-wise under Mill Gate Price Scheme during 11th Plan Period are given in Table 5.2, Table 5.3.

Table 5.2

Details of Yarn supplies during 11th Plan

Year	Quantity (lakh kg)	Value (Rs. In crores)
2007-08	682.13	567.48
2008-09	855.12	793.78
2009-10	1080.96	987.11
2010-11	1105.96	1195.55
2011-12	239.16	321.03

Table 5.3
Details of Yarn Depots during 11th Plan

Year	No. of Yarn Depots
2007-08	485
2008-09	536
2009-10	650
2010-11	715
2011-12 (till July 2011)	750

NOTE: The details of State-wise yarn supplied under Mill Gate Price Scheme are given in **Annexure-13.**

5.1.3 The Financial Progress of Mill Gate Price Scheme during 11th Plan are given in Table 5.4.

Table 5.4
FINANCIAL PROGRESS

Year	Financial Achievement (Rs.in Crore)	
	BE	Expenditure.
2007-08	15.00	23.50
2008-09	25.00	29.59
2009-10	25.00	30.60
2010-11	54.00	65.00
2011-12 (till July 2011)	55.60	19.23

5.2 Evaluation of Mill Gate Price Scheme:

To assess the impact of Mill Gate Price Scheme in Handloom Sector, a evaluation study was awarded to M/s. Mott MacDonald during the financial year 2010-11. M/s. Mott MacDonald has submitted its Draft Report to this office. The brief details are given below:

5.2.1 Scope of Study:

The objectives of evaluation study for Mill Gate Price Scheme are as follows:

- 1) Whether the scheme has benefited the handloom weavers and if so, to what extent.
- 2) To assess the satisfaction level of the various customer agencies/institutions who are procuring yarn under MGPS through NHDC.
- 3) To study the general perception and expectation of the customers and the extent to which the same have been met.
- 4) Whether the coverage of the NHDC is sufficient to meet the requirements of weavers' organization on the satisfaction level on the delivery of the yarn.
 - The time taken for the delivery of the yarn.
 - The quality of yarn.
 - The mode of transport by which the yarn is sent.
 - The system of reimbursement under the scheme consignment being sent on "To pay" basis and the system of reimbursement of the amount on production of way bill.
 - Execution of the entire order by the NHDC.
 - The response of the NHDC to the weavers' Yarn requirement queries.
 - The quantum of paper work involved in total process.
 - The administrative problems in the operation of the scheme.
 - The price of yarn under this arrangement.

- The choice of supplier mill.
 - The requirement of the scheme asking to execute an undertaking.
 - The time taken for reimbursement of transport depot operation charges.
 - The rate of payment for the depot arrangement.
 - Transparency of the entire operations under the scheme.
- 5) Whether the benefit of reimbursement of transport expenditure is actually passed on to the weavers in full, if not to what extent? Whether there is a need to enhance the reimbursement rate: if so, to what extent?
- 6) Whether the reimbursement rate allowed to NHDC is justified to meet the actual expenditure and reasonable overhead charges for implementing the scheme, if so suggestions for correction?
- 7) The demand for yarn supply in certain States including North Eastern States is far below their actual requirement. What are the reasons for this and how can the demand be enhanced? Whether there is any need for revision of reimbursement rate for N.E. States?
- 8) Whether there is any diversion of the yarn supplied under this scheme towards any other purpose; if so, to what extent and suggestions for prevention of any misuse in the future?
- 9) The study also include:-
- Whether the customers suffered due to delays in delivery of yarns under the scheme and if so the details?
 - Details, if any, of getting the same type of yarn from the same Mill at a price lower than that under the scheme at any time.
 - Details of complaints made if any.
 - Details of satisfaction over the action taken on complaints made if any.
 - Details of any other point with regard to the scheme not favorable to the weavers' community.

- 10) To identify the deficiencies/ weaknesses and shortcoming in the implementation of the scheme to suggest remedial measures.

5.2.2 Recommendations/Suggestions of User Agencies:

During the field visits of representatives of M/s. Mott MacDonald, the following suggestions/recommendations have been given by User Agencies about Mill Gate Price Scheme:

1. The awareness level among weavers about the MGPS needs to be increased.
2. The coverage of the scheme is restricted to limited users which need to be enhanced to increase the total procurement made under the scheme.
3. Administrative efficiency of NHDC should be increased by engaging more manpower. Moreover its efficiency in terms of effective liaison with supplier mills need to enhanced.
4. The presence of NHDC is very much required to control the exploitation by local trader; however at present the strength of NHDC in dictating market terms especially while dealing with supplier mills is limited. More and more yarn procurement in government and semi government sector should be brought under the purview of NHDC to increase its market share.
5. NHDC need to make bulk procurement for a specific region to nullify the delay of delivery at transporters end.
6. Yarn depots have demanded that NHDC should maintain its own depot at state or district headquarters to enable the user agencies make direct purchase from the depots.
7. Transport reimbursement limit should be enhanced in two ways – either reimbursement should be made at actual or the limit should be categorized on the basis of distance of mill from the delivery point. The rate can also be fixed at State level as the rate of expense varies from one state to another.
8. NHDC can also mediate market linkage directly or through an integrative approach where many state owned agencies and public sector agencies will perform together for similar goals.

9. The state apex organization need to be strengthened to increase the sell of NHDC and also to enhance the scope work for individual workers as well as cooperatives.
10. NHDC should also deliver dyed and processed yarn besides unprocessed hank yarn to increase the sell of depots.
11. Cost of manpower should be adjusted in the depot charges to allow the cost to be reimbursed.
12. The processing of claims by NHDC need to be simplified to reduce the processing time.

M/s Mott MacDonald has observed that all the visited depots and non depot agencies procure yarn at small quantity. At a time 5-10 bales of cotton yarn is being supplied to the depots. On the other hand silk supply in order ranges between 50 kg. to a maximum limit of 300 kg. in the visited agencies. The small amount of supplied yarns nullifies the possibility of diversion of yarn to power loom sector. There is no evidence of any diversion of yarn from handloom sector to power loom sector. However, there is lacking of strong monitoring system at the end of NHDC to verify the fulfillment of scheme objective and restrict possibility of any such diversion or other malpractices.

5.2.3 Suggestion & Recommendations by M/s Mott MacDonald:

Presently, handloom sector is contributing substantially in employment generation, and export. However, the sector is suffering from basic problems of being in the unorganized sector with additional intelligence and poor institutional framework.

The sector has immense potential and can do wonders if managed systematically. The Mill Gate scheme is one of the schemes that has been conceptualized considering weaker and marginalized section of the society i.e individual handloom weaver. However, the study findings reveal that a very few proportion of them have actually received benefits of scheme. Looking at the various constraints, the following suggestions have been given by the M/s Mott MacDonald which are mentioned below;

1. **Formation, Strengthening and Empowering grass root Federations to act as Yarn depots:** Mott MacDonald has suggested that NHDC regional office should act

as resource agency in order to sensitize weavers to form societies or groups. They can mobilize resource persons for strengthening and capacity building of the societies so that they can form federations and get linked to financial institutions. Yarn depots can be allotted to the federations for improving coverage, accessibility and sustainable availability of quality yarn at door step at reasonable price.

2. **Disparity in distribution of depots:** more depots should be allocated to the areas dominated by weaver population and should be in proportion to the concentration of weaver population.
3. **Scheme Benefit is not Percolating to the Weaver Level:** it is evident that weavers are daily wage labourers thus, they do not procure yarn. As a result, they will always remain deprived of the benefit. The most common way of inclusion can be following;
 - Formation of weaver societies
 - Empowering them for day to day SHG activities.
 - Credit linkage for business
 - Allotting them yarn depots and linking them to cluster development programme so that they can also use benefits of common facility centers
 - Making them financially sustainable
4. **Delay in supply of yarn:** NHDC should improve its liaisoning with spinning mills as well as with the transporters so that improvement in service delivery can be assured like;
 - Minimizing the delay in supply of yarn
 - Providing desired choice of yarn (mill, quality & type)
 - Minimizing the time lag in processing payment both to spinning mills and transporters.
5. **Lack of monitoring & Evaluation in the Scheme:** the scheme has no inbuilt monitoring system and this has created huge gaps regarding service delivery. Thus, Ministry should look into the process of appointing a competent agency for

developing a comprehensive Monitoring & Evaluation plan for next phase of the scheme.

6. **Increasing Rate of Reimbursement for Transportation:** it is recommended that some mechanism could be worked out for fixing new rate of reimbursement at regular intervals as per market fluctuation. Other wise it can be made at an actual however, reimbursing at actual will be a lengthy process and may also need more certification and physical verification.
7. **Increasing role of NHDC:** the way NHDC is functioning is not fully serving the core purpose of the scheme delivery. Presence of NHDC is very much important for regulating the yarn market otherwise spinning mills will try to impose their interest which could lead to creation of artificial shortages and escalation of yarn prices similar to pre 1992 situation. Thus following can be adopted;
 - NHDC could collaborate with credible NGOs/ or Government organization such as Weaver Service Centers to build capacity of the weavers in procuring the yarn under the scheme. NHDC can also give franchise to the NGOs/ or Government organization for acting as a subsidiary of NHDC. Through this effort marketing facilities for the final product should be strengthened so as to provide regular market linkages to the weaver.
 - More staff and branches of NHDC could be set up which would give impetus to the scheme as well as proper monitoring will also be possible for effective implementation of the scheme.
 - NHDC with better coverage can also have yarn hank of its own or it can be given to some private player on Public private partnership mode so that availability of choice yarn could be made available to the weavers.
8. **Waiving of Value Added Tax (VAT) & CST:** to give thrust to handloom industry, special efforts should be made which includes waiving off taxes such as VAT and CST specifically for the agencies who procure yarn through NHDC. This would lead to rise in the demand of yarn by the user agencies and give additional big incentive of

the scheme. To start with a pilot project can be undertaken for certain states, and observe the result of this effort.

5.3 RECOMMENDATIONS FOR 12TH FIVE YEAR PLAN

5.3.1 Raw Material availability

Yarn is the basic raw material required by the handloom sector which is being produced by the spinning mills. The concentration of spinning mills is in and around the cotton growing areas i.e. Maharashtra, Tamilnadu and Andhra Pradesh and the weavers of the other areas have to depend on the yarn produced in other areas. The transportation of yarn from one place to another increases the cost of yarn considerably putting the weavers in disadvantageous position. Keeping this perspective, Mill Gate Price Scheme was introduced in 1992 for supply of yarn at the price at which it is available at the Mill Gate. **The Working Group observed that Yarn Supply under Mill Gate price Scheme has increased considerably during the 11th plan and therefore, recommends the continuation of the scheme during 12th Plan also with following modifications to provide benefit in a more realistic manner to handloom weavers.**

5.3.1(i) Modifications proposed under Mill Gate Price Scheme:

a. Freight reimbursement towards transportation of yarn

The Mill Gate Price Scheme was implemented in the year 1992. During the period 1992-97 the freight reimbursement was 1.5% of value of yarn. Thereafter, the transport reimbursement was revised as per Table 5.5.

Table 5.5
Transportation reimbursement in past years

S.No.	Product	Area	Transportation reimbursement 1997-2001	Transportation reimbursement since 2001
1.	Other than silk and Jute yarn	Plain	1.5%	1%
		Hill	2.25%	1.75%
		NE region	3%	3%
2.	Jute Yarn	Plain	7%	7%
		Hill	8%	8%
		NE region	8.5%	8.5%
3.	Silk Yarn	Plain	1%	1%
		Hill	1.25%	1.25%
		NE region	1.5%	1.5%

It has been observed that since 1992 (Year of commencement of the Scheme) to 2011, the price of diesel has increased from Rs. 6 per litre (approx.) to Rs. 42 per litre (approx.), i.e. approximately 7 times; whereas the prices of yarn have increased merely around 3 times. At the same time, **the rate of freight reimbursement has been reduced from 1.5% to 1% in case of cotton yarn for plain areas where the yarn supply is maximum.**

On analyzing the data, it is evident that in respect of yarn supplies from southern India, where most of the spinning mills are located, to North Eastern States, West Bengal, Orissa, Jharkhand, Bihar, U.P., and other Northern States, **the actual freight expense is more than the admissible amount reimbursed under MGPS. It was also brought to the notice that user agencies have been representing for revision at various *fora* from time to time to enhance the freight reimbursement.**

In order to meet the transport expenditure reasonably, it is therefore, recommended to revise the **freight reimbursement rates** as per Table 5.6.

Table 5.6

Proposed rate of freight reimbursement during 12th Plan

(% of total value of yarn supplied)

S.No.	Product	Area	Existing rate of freight reimbursement	Proposed rate of freight reimbursement
1.	Other than silk and Jute yarn	Plain	1%	2.5%
		Hill	1.75%	2.5%
		NE region	3%	5%
2.	Jute Yarn	Plain	7%	10%
		Hill	8%	10%
		NE region	8.5%	10%
3.	Silk Yarn	Plain	1%	1%
		Hill	1.25%	1.25%
		NE region	1.5%	1.5%

The **freight reimbursement** will be limited to maximum permitted and will be restricted to the actuals.

b. Service Charges to the NHDC

The supply of yarn to hills/ remote areas and North Eastern region requires more efforts on account of scattered distribution of handlooms. The efforts and work force required for serving the user agencies in these areas is more, whereas the service charges allowed against such supplies are minimal and lesser as compared to the service charges for plains.

Even though the NHDC conducting its operations with the minimum possible work force (which is 208 as on 30.6.2011), yet the revision in salary/ DA and escalation in expenses has increased the overheads over a period of time. Further, for better penetration/ increased supplies, the corporation needs to increase branch offices/ manpower, which will result in increase in overheads. **It is, therefore, proposed to revise the service charges to the NHDC as per Table 5.7.**

Table 5.7
Proposed Service Charge to NHDC under MGPS

Area	Existing Service charges	Proposed Service charges
Plain	1.50%	2.0%
Hill	1.00%	2.5%
NE region	0.75%	2.5%

c. **Advance under MGPS to NHDC**

User agencies at various forums have been complaining that the freight reimbursement is being received by them **after a gap of 5-6 months**. Presently the time lag between the point of incurring freight expenses and depot operational expenses by the user agencies and the actual reimbursement to them is 5 to 6 months.

Initially during the year 1992-93, the advance amount was fixed at Rs.35 lakh against the annual budget of MGPS grant of Rs.140 lakh **i.e. 25% of the B.E.**

During Financial Year 1995-96, the amount of advance was increased to Rs. 100 lac. Uptill Financial Year 2001-02, the amount of annual MGPS grant was in the range of Rs.5 crore to Rs.7 crore (aprox.). Due to efforts of the corporation, the yarn supply under MGPS has increased many fold and the Grant under MGPS has also gone up and during the Financial Year 2010-11 it has increased to Rs. 65 crore but the quantum of advance of Rs 100 lakh has remained unchanged.

In order to enable NHDC to reimburse the freight reimbursement and depot operation expenses timely to the user agencies, **it is proposed to allow an advance equivalent to 25% of Annual Budget Estimate of MGPS to NHDC at the beginning of the quarter, as against Rs. 100 lakh at present.**

5.3.1(ii) Budget Requirement: A Budget Estimate of Rs.875.00 crore is proposed for 12th Five Year Plan for supply of yarn worth Rs.2500 crore every year under the Mill Gate Price Scheme.

5.3.2 Hank Yarn Subsidy Scheme:

The Handloom weavers face stiff competition from Powerloom sector in terms of cost of production of the fabric. The Hank Yarn is the basic raw material required for the Handloom sector. It has been observed that hank yarn prices have increased to a very high level during last so many months and the increase in prices of hank yarn is much more compared to the cone yarn and thereby, putting the handloom weavers in a very disadvantageous position. To off set the high cost of yarn prices for handloom weavers, the Govt.of India used to provide a subsidy on hank yarn (of 20s, 40s count) at the rate of Rs.15 per kg. (the value of one kg. yarn of count 20s used to be about Rs.85 per kg. during the year 1994-95). It was stipulated that whenever hank yarn prices corresponding to the 20s count fall below the Rs.70/- per kg. level, the operation of the scheme would be suspended and a review undertaken. In the year 1995-96, the subsidy was enhanced to Rs.20 per kg. Before 1st March, 2002 cotton hank yarn in plain reel form was exempted from central excise (CENVAT). The rate of CENVAT on cotton cone yarn was 9.2 % and this price advantage was exclusively for Handloom sector. However, since July, 2004 CENVAT on all varieties of cotton yarn has been exempted. Since the withdrawal of 9.2% CENVAT, the Handloom sector is facing strong competition from the Powerloom sector due to inherent superior productivity. Various State Governments and Handloom Organisations have represented to restore this price advantage to the Handloom Sector.

It is proposed that **10% subsidy on Hank Yarn distributed through NHDC and other eligible agencies to Handloom Weavers may be introduced so that the price advantage, which was available to handloom weavers prior to abolition of CENVAT on cone yarn, may be made available to handloom weavers.** This will not only help the handloom sector to survive and become self sustainable in the long run but also enable them to compete with Powerloom. **The scheme will have multiagency implementation with appropriate safeguards for effective implementation.**

5.3.2(i) **Type of yarn and supply mechanism:**

All types of yarn (including raw silk both domestic and imported) required for production of handloom items will be covered under the Hank Yarn Subsidy Scheme.

The implementing agency will ensure that all the payments from user agencies and implementing agency would be made through Account payee Cheque/ RTGS/ NEFT drawn from their own bank account.

For implementation of the scheme, following broad criterion will be applied

- (i) The number of handlooms of each and every eligible agency will be verified jointly by the Implementing Agency and State Directorate of Handlooms/ WSCs.
- (ii) Handloom Census I Card/ Yarn Pass Book will be relied upon for verification.
- (iii) For the purposes of yarn subsidy, the quantity of yarn supplied to each agency will be restricted, based on their capacity in terms of number of handlooms as below:-

Cotton (2/20s)	60 Kgs./loom/month.
Cotton (20s)	30 Kgs./loom/month.
Silk	4 Kgs./loom/month.
Tussar Silk	6 Kgs./loom/month.

Note:- 20s and 2/20s counts mentioned above are benchmark counts. The requirement for other counts will vary proportionately depending upon the relative coarseness/ fineness of the count.

5.3.2(ii) **Budget Requirement:**

A Budget Estimate of Rs.1250.00 crore is proposed for Hank Yarn Subsidy for 12th Five Year Plan for supply of hank yarn worth Rs.2500 crore every year under this scheme.

5.3.3 (i) Opening of Warehouses/Depots:

Presently NHDC is supplying yarn to the Primary Cooperative Societies, Apex Societies, Corporations, HEPC registered members etc. The present system being followed in supplying the yarn is that after getting the indents from user agencies, NHDC places the order on spinning mills which in turn dispatches the yarn to the consignee. At present, NHDC is not maintaining any yarn depot/warehouse on its own. Sometimes, the requirement being in small quantity, NHDC is unable to deliver the material at short notices.

To overcome this problem and ensure immediate availability of hank yarn even in small quantities, it is proposed to open **10 yarn depots cum warehouses on trial basis** by the NHDC during 12th Plan. Out of 10 depot cum warehouses, 4 will be opened in North Eastern region. The possibility of running some of these depots in PPP mode will also be explored. The capital expenditure and operation cost for opening the depot cum warehouses shall be borne by the Government of India.

5.3.3 (ii) Budget Requirement: A Budget estimate of Rs.10.00 crore is proposed for opening/running of warehouses/depots on trial basis during 12th Five Year Plan.

5.3.4 Policy Recommendations :

(i) Waiving of VAT & CST for supply under MGPS

Before 1st March, 2002 cotton hank yarn in plain reel form was exempted from central excise (CENVAT). However, since July, 2004 CENVAT on all varieties of cotton yarn has been exempted. Since the withdrawal of 9.2% CENVAT, the Handloom sector is facing strong competition from the Powerloom sector due to inherent superior productivity.

To give thrust to handloom sector and provide a competitive edge and price advantage, it is proposed that the yarn supplied under the MGPS be exempted from sales taxes such as VAT and CST.

Although most of the states have already exempted cotton hank yarn from VAT and CST, yet there are other varieties of yarns which are supplied under MGPS and which are not exempted from sales tax.

This point has been recommended by Mott MacDonald as well in their draft report on MGPS Evaluation study.

(ii) In view of ensuring the availability of quality dyes and chemicals, it is recommended that NHDC should keep small packets of 100 grams each for dyes & chemicals at its branch offices on trial basis. Considering colour fastness, colour matching etc as an important area, it is essential to conduct training workshops for correct chemical dyeing, building in safety aspects and information of waste water treatment and disposal. The dyers must be trained to use vat and reactive dyes in dyeing of yarn. A campaign in the form of awareness programmes, workshops and training may be initiated by the NHDC, State Governments and WSCs.

5.3.5 Publicity : A provision of **Rs.1.00 crore** per year is proposed for publicity of the Mill Gate Price Scheme for creating awareness amongst the weavers so that they could avail the benefit of the scheme. Therefore, **Rs.5.00 crore** is required for 12th Five Year Plan for publicity purposes.

5.4 Financial outlay proposed for 12th Plan: The total budget estimate for the Mill Gate Price Scheme, Hank Yarn Subsidy Scheme, Opening of Warehouses/Depots and Publicity will be **Rs.2140.00 crore for the 12th Five Year Plan**.

CHAPTER - 6

CREDIT AVAILABILITY TO THE HANDLOOM SECTOR

Introduction

The Handloom Sector plays a vital role in the economy. In terms of employment, the sector is next only to agriculture. Nearly 43.32 lakh persons are engaged on about 24 lakh handlooms, as per latest Handloom Census of India (2009-10). The sector provides employment to the weaker sections of the society. About 78 % handloom workers are women. The percentage of SC/ST handloom workers is 28.25% and 45.18 % of workers belong to the OBC category. Moreover, 80 % handloom workers are rural based. The contribution of Handloom Sector to the textile production, employment and export earnings is also significant. The production of handloom fabric was 6903 million sq. mtrs. during 2010-11, while the share of handloom cloth to total cloth/textile production (comprising Handloom, Mill and Powerloom), was about 14%. Hence, the requirement of the credit particularly for working capital is huge for the textile sector.

However, the handloom sector is facing grave challenges. The march of technology has tilted the balance in favour of the mechanized mills and powerloom sectors, jeopardizing the ancient heritage of the country that handlooms represent. Handlooms need support through access to cheap credit, design and marketing inputs. Moreover, since many rural households do not have sustained electric supply, handlooms are an important source of livelihood.

6.1 Issues Concerning to the Credit for the Handloom Sector

6.1.1 Institutional Arrangement

(a) In the decentralized handloom sector, important players are i) independent weavers, ii) weaver entrepreneurs popularly known as master weavers, and iii) weavers under cooperative societies. An independent weaver describes a production system in which a weaver purchases raw materials from the market, makes cloth and sells woven finished

products in the market independently, all on his own. Hence, their earnings and profitability depend on market conditions, productivity and managerial skill, and are fully exposed to business risk.

(b) The system of master weaver is evolved over the years. In the past, master weavers were advancing yarn to weavers working in their own houses. In recent years, many master weavers have set up common sheds for weaving. A master weaver also refers to the generic term to the people, who get yarn sized, supply beams to smaller owner, get the fabric woven and get cloth processed. Under the system of master weavers, a weaver is not exposed to business risk. In this system, weavers get raw materials from master weavers or traders and return woven grey products to them. In return, a weaver gets weaving charge or wages are paid in accordance with work performed by them.

c) Most of the weavers are working under master weavers and they are generally considered as job worker. The condition of a weaver under this system is not good, most ostensibly because wages paid to them are even less than amounts being paid to the unskilled labour. In fact, income and earnings of weavers under that category are less than compared to the unskilled workers working under NAREGA. The details of Handloom Household are given in Table 6.1.

Table 6.1
Handloom Household Units : Total and under Cooperative

	Region	Handloom Household Units		Handloom Units under Cooperative	
		Number (lakh)	% share in all India	Number (lakh)	% of looms in cooperative
A	Rest of the country				
1	North	1.56	5.61	0.11	7.26
2	South	4.17	14.99	1.58	37.94
3	West	0.37	1.33	0.05	13.20
4	East	4.90	17.60	0.54	10.83
5	Sub-Total (A)	11.00	39.52	2.28	20.72
B	NER	16.83	60.47	0.46	2.73
	Total (A + B)	27.83	100.0	2.74	9.84

d) The third category of weavers are those, who are members of the handloom cooperative societies. An organizational pattern within the co-operative fold with an Apex/Regional Society at the state level and production societies at base level is fairly common in various States. The Apex societies are, inter-alia, engaged in procuring yarn from various cotton spinning mills and supplying the same to Primary Societies for producing cloth. As per available data, there are 21,765 registered Primary Weavers Cooperative Societies (PWCS) in the country. Of these, 13,057 societies are reported to be working. In addition, Scheduled Commercial Banks and Regional Rural Banks have also extended loans for acquisition, modernization of looms as well as working capital loans to weavers, Handloom Weaver Groups (HWG) and Master Weavers (MW) .

e) As per Handloom Census of India (2009-10), about 20% of the handloom household units (excluding NER) in the country are under the cooperative fold (Table 1). This is so because the benefits of forming cooperatives have dried up with the choking of credit lines. Many of these workers belonged to cooperatives earlier, but are now forced to operate outside the beneficial fold of cooperative societies as most societies are now defunct, with almost no access to credit, as will be evident from the factual position in the succeeding paragraphs.

6.1.2 High cost of credit

Credit to the weaver under NABARD's concessional re-finance is available at around 9% while the credit to the handloom weaver from the funds of Co-operative Banks/Commercial Banks is available at around 12-14%. Weavers availing credit through the informal channel may be around 18-20%. The high cost of credit adds to the cost of the handloom products and makes it expensive vis-à-vis the power loom/mill products and finally leads to the unsaleability of the products resulting in accumulation of the stocks.

6.1.3 Chocked Credit lines

a) Credit to handloom sector is constraint due to lack of accessibility to credit, high cost of credit, debt overhang, financial exclusion of about 80% of weavers from formal financial system, growing inefficiency of the cooperative marketing system, poor accounting & financial management, competition from powerloom, poor socio-economic conditions of weavers and continued weakness of lending institutions in the cooperative sector

b) The issue of credit flow to the Handloom Sector is closely linked to the working capital management of the handloom business, which is directly related to overall health and business performance of the Handloom Sector as a whole. High cost of the credit, low productivity, high production cost and so on makes handloom products uncompetitive vis-a-powerloom. It resulted in accumulation of unsold stocks. As a result, the cycle of production-marketing is choked up and agencies are unable to pay their dues to the Banks and can not access fresh funds. As a result, handloom production declined over the years.

6.2 Existing Policy Framework for Credit during 11th Plan :

The existing policy framework for accessing credit for the handloom sector include i) Refinance Facilities to State Co-operative Banks, ii) margin Money under the scheme of o/o Development Commissioner for Handlooms, iii) Credit Guarantee Scheme, and iv) Conversions of scheme with other ministry (Ministry of Rural Development).

I. Refinance Facilities to State Co-operative Banks.

i) The scheme to provide refinance for the working capital requirement of the weavers' cooperative societies was formulated by Reserve Bank of India in 1956. Under this scheme, National Bank for Agriculture and Rural Development (NABARD) is now providing refinance facilities to State Co-operative Banks. In spite of the scheme of concessional finance having been in operation since 1957-58, several difficulties and problems are being faced in arranging flow of credit to the handloom sector. It has been observed that credit to

Handloom Sector is mainly for working capital needs through Cooperative Banks. RRBs and Commercial Banks extend limited credit to the sector. However, due to the weaknesses of the production units (PWCS), the credit demand of the weavers is not being met by these cooperative production units, with the result that the quantum of credit flow to the sector is very small. Details of credit limit sanctioned by NABARD to State Cooperative Banks for financing weavers cooperative societies and maximum credit outstanding against the limits, is at Table 6.2.

Table 6.2
Sanction and Utilisation of Short Term (Weavers) Credit Limits
(Rs.in crore)

Year	Limit Sanctioned	Utilisation	% utilization
1999-2000	808.42	594.49	73.54
2001-2002	703.49	509.36	72.40
2002-2003	550.93	349.50	63.00
2003-2004	520.60	309.76	59.00
2004-2005	349.89	163.14	47.00
2007-2008	332.13	184.78	55.64
2008-2009	265.63	166.66	62.74
2009-2010	177.32	177.32	100
2010-2011	215.75	198.14	91.83

(Source : National Bank for Agriculture and Rural Development)

ii) The picture presented by the above table is alarming in view of the fact that the annual turnover of the handloom sector is nearly Rs. 30,000 crore, even if calculated at the conservative value of Rs. 50 per metre of fabric woven for about 6000 million sq. mtrs. Clearly, the credit needs of the sector are far met by a paltry refinance support of Rs. 198.14 crore from NABARD. It is also observed that major portion of credit has been obtained by few states by Tamil Nadu and Andhra Pradesh. The rest of the states like Uttar Pradesh are getting limited credit facilities. It is also observed that Apex Societies are unable to make prompt payment to primary societies in respect of procurements made under Government procurement and credit sales as Government Departments are not making payment promptly.

iii) The refinance flow as a percentage to ground level credit flow is low at around 10%. It may be observed that the credit limits sanctioned as well as refinance availed, have been declining over the years. This could be on account of factors such as a) increase in accumulated losses, b) increasing default by both AWCS and PWCS, c) Negative Net Disposable Resources of the societies, d) audit arrears of societies, e) increase in the number of non-viable societies, f) non-compliance with sales norms and so on.

II. Margin Money under the scheme of o/o Development Commissioner for Handlooms

(i) Credit Linkage to Self-Help Group

Under Integrated Handloom Cluster Development Scheme, launched in 2006-07, 20 clusters, each having about 5000 handlooms is being developed with an upper ceiling of 2 crore per cluster. The basic tenet of cluster intervention in the handloom sector is to organise weavers into Self Help Groups (SHGs) and facilitate credit linkage so that they can become self sustaining viable economic units. They can purchase raw materials from the market and sell hand woven products in the market resulting to higher earnings and profit may percolate to the actual weavers. Due to this reason, a lot of emphasis has been made on the formation of SHGs. Special team and agencies have also been engaged in the formation of groups. With sustained efforts by all the stake holders, total 2276 Self Help Groups (SHGs) has been formed covering 28532 weavers under this scheme in all the 20 clusters. 2146 SHGs have opened their bank accounts. Successful credit linkages are established with various banks by getting credit of Rs. 1169.03 lakhs by SHGs (Table 6.3). This credit is serving their immediate needs of small working capital and also to meet urgent needs of the family.

Table 6.3
Status of Self-Help Group Formation & Credit Linkage

(Rs. lakh)

Year	No. of SHG's Formed	Weavers Covered	Bank A/c opened	Credit Linkage by 20 Clusters
July, 2009	1884	23451	1700	511.94
May, 2010	2168	26609	2050	821.73
March, 2011	2276	28532	2050	1169.03

ii) In terms of credit linkage, the maximum linkage has been established in Bijohnagar, Assam and the next in Bargarh, Orissa. In Bijohnagar, credit linkage is due to convergence of other schemes : old as well as existing. However, credit linkage in Bargarh is basically due to the interventions taken under cluster development scheme. Therefore, Bargarh cluster has been recognised as a best performing cluster as far as credit linkage is concerned (Box). Clusterwise credit linkage of all 20 clusters is given at **Annexure-12.**

iii) Under Integrated Handloom Development Scheme (IHDS), 542 Cluster Development Projects and 1788 groups are under implementation. Under the basic input, which is a component of cluster/group, there is a provision of Rs.6000 for Margin Money to the individual beneficiaries. Under this component, a sum of Rs.17.49 crore has been released benefitting about 30,000 individual weavers during 2007-08 to 2010-11.

III. Credit Guarantee Fund Scheme for Micro and Small Enterprises

i) The Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) was setup in July, 2000 jointly by GOI and SIDBI which became operational from 01st August, 2000. The trust provides guarantee cover to both fund and non-fund based credit facilities including term loan and working capital facilities sanctioned by its member lending institutions without collateral security and / or 3rd Party Guarantee to eligible units in the Micro and Small Enterprises Sector.

ii) Guarantee and Annual Service Fee

A one-time upfront guarantee fee at specified rate {(a) currently 1.00% of sanctioned amount in the case of credit facility upto Rs. 5 lakh and 1.5% in the case of credit facility above Rs. 5 lakh and (b) 0.75%, in case of credit facilities upto Rs.50 lakh sanctioned to units in North Eastern Region including State of Sikkim)} is payable by Member Lending Institutions to the Trust. Further, an annual service fee at specified rate (currently 0.50% of sanctioned amount in the case of credit facility up to Rs. 5.00 lakh and 0.75 % in the case of credit facility above Rs. 5.00 lakh) is payable by Member Lending Institutions to the Trust. The guarantee cover is provided for loans upto Rs. 100 lakhs and the extent of guarantee

ranges from 62.5% to 85%, based on the quantum of credit facility and borrower category. Maximum cover available shall not exceed 75% of the amount in default.

iii) **Financial Package for the Handloom Sector**

a) In his budget speech 2011-12, Finance Minister has announced a Financial Package for the Handloom Sector. The extract of Budget Speech is reproduced below:-

“Handloom weavers have been facing economic stress. Consequently, many of them have not been able to repay debts to handloom weaver cooperative societies which have become financially unviable. I propose to provide Rs. 3,000 crore to NABARD, in phases for these cooperative societies. The initiative would benefit 15,000 cooperative societies and about 3 lakh handloom weavers. The details of the scheme would be worked out by the Ministry of Textiles in consultation with Planning Commission”.

b) The implementation of Financial Package for the Handloom Sector will open chocked credit line for the handloom cooperative societies.

Box

**SUCCESS STORY ON CREDIT LINKAGES WITH
THE BANK: BARGARH MODEL**

Looking at the credit needs of the weavers of the cluster, it was strategically decided under the Cluster Development Programme (IHCDP) to provide credit linkages to the weavers through various banks to meet their working capital requirement. To initiate the process, the Cluster Development Executive (CDE) organized two different meetings by involving different banks, Lead Bank, AGM, NABARD, Senior Divisional Officers of Directorate of Textiles & Handloom, Orissa, Bhubaneswar and the stake holders of the cluster and discussed the credit need of the weavers. The CDE who is also working as the Assistant Director of Textiles under the State Govt. and looking after various ongoing schemes of Govt. explored the possibility of bank linkages under the scheme “Swarojgari Credit Card (SCC) to individual weavers” of Govt. of India. The objective of the scheme “SCC” is to provide working capital support to the individual weavers by the bank by

sanctioning cash credit loan of Rs.25,000/- for a period of five years. As per the procedure of the scheme, a weaver has to obtain a no due certificate from the neighboring banks functioning in the area in a prescribed form issued by the bank and apply to the concerned bank through the Assistant Director of Textiles. After receiving the loan applications, the concerned Assistant Director of Textiles scrutinizes the loan applications with regard to their status of default / loan outstanding to different banks and recommends the same to the concerned bank for sanction of loan to the weavers under the scheme with a copy to the Lead Bank. The bank after receiving the loan applications, examine the feasibility and then immediately sanctions loan in favour of the beneficiary.

After explaining in details about the scheme, bankers like State Bank of India, Andhra Bank, Utkal Gramya Bank and Sambalpur District Central Co-operative Bank agreed to provide support to the weavers under scheme. By adopting this methodology, about 450 individual weavers of Bargarh Handloom Cluster could be sanctioned cash credit loan of Rs.62.5 lakhs under the scheme. And the Cluster officers are trying their best for credit linkages to other non defaulted weavers in near future.

IV. Convergence of Schemes with other Ministry (Credit under SGSY of the Ministry of Finance)

Swaranjayanti Gram Swarojgar Yojana was launched by Ministry of Rural Development on 01st April, 1999. This is an integrated scheme for providing opportunities of self employment to the rural poor. The assisted families (Swarojgaris) may be individuals or (SHGs). However, the emphasis is on Group Approach with particular emphasis on group formation by women and the weaker sections. The SGSY primarily follows the group approach concept. The group should demonstrate minimum levels of sub-group dynamism before considering for assistance with the loan-cum-subsidy for the group under the SGSY. The group is entitled to subsidy of 50% of the project cost subject to per capita subsidy of Rs.10,000 or Rs.1.25 lakhs whichever is less.



A group of Swarozgaris undertaking weaving activity

6.3 Credit Requirement for the Handloom Sector during 12th Plan

The requirement for the Credit for the Handloom Sector is huge. Based on the handloom cloth production of approx. 7000 million sq. mtrs. during 2010-11 and handloom size on 23.87 lakh in the country, the requirement for the handloom sector has been assessed at Rs. 9850 crores, which has been reflected in Table 6.4.

Table 6.4

Credit Requirement for the Handloom Sector during 12th Plan

S.No.	Components	Rs. crore
1	Cloth Production by the Handloom Sector (2010-11) is 6903 million sq. mtrs but calculation is based on 7000 mill. Sq. mtrs.	7000
2	Yarn in Hank Form is 556 million kg during 2010-11 but calculation is based on 550 mill. Sq. mtrs	550
3	Credit Requirement for Yarn (per annum)	25240
4	Credit requirement for Yarn (for one cycle of four month- one month for mobilization, 2 months for production and 3 months for marketing	8414
5	10% of the yarn cost for other charges such as dyes & chemicals	841
6	Replacement of 10% looms(2.38 lakh looms @ Rs.20,000)	476
7	Replacement of accessories of 10% looms (2.38 lakh looms @ Rs. 5,000)	119
	Total (4 + 5 + 6 + 7)	9850

The detail mythology for the working out of the credit requirement for the Handloom Sector is at **Annexure-13**.

6.4 Recommendations of the Working Group for 12th Plan:

6.4.1 The credit need of the handloom sector is huge. However, credit linkage from institutional sources is limited. It is therefore recommended to have a target of credit mobilization of just Rs. 1000 crore during 1st year of 12th Plan, which may be scaled upto Rs. 4000 crore by the end of the 12th plan. The implementation of Financial Package for the Handloom Sector will open chocked credit line for the handloom cooperative societies and individual weavers. However, to ensure fresh loan to the cooperatives and individual weavers, 3 interventions have been recommended by the group which include i) margin money; ii) interest subvention; and iii) credit guarantee.

6.4.2 Margin Money

Under the IHDS, there is a provision of Rs. 6,000 per beneficiary as margin money during 11th Plan. It is recommended to continue with this at enhanced amount and target. The priority would, however, would be given to group rather than to an individual beneficiary. As it would be easy to make group as visible economic entity and also easy to monitor. The proposed outlay has been worked out at Rs. 500. The details are at Table 6.5.

Table 6.5
Proposed Outlay for Margin Money

Item	2012-13	2013-14	2014-15	2015-16	2016-17	Total
Beneficiary (No. lakh)	1.00	1.00	1.00	1.00	1.00	5.00
Outlay @ Rs. 10,000 per beneficiary (Rs. crore)	100	100	100	100	100	500

6.4.3 Interest Subvention Scheme for Handloom Sector

The handloom sector is a labour intensive industry and the cost of production is high and sector is facing stiff competition with mechanized mill and powerloom sector. In order to reduce the cost of production in the handloom sector, loan at lower rate of interest is required in line with farm sector. Interest subvention of 4% on weaver loans has been recommended by the Group on the lines of the interest subvention provided on the crop loans by GoI. Thereby weaver and cooperative societies should be able to get working capital loans upto Rs. 50,000 per loom at around 7%. The interest subvention is proposed to be provided for annual cycle of 3 years. It would include short term loans which are extended for working capital requirements by way of cash credit and renewed on financial year basis for a total of 3 annual cycles. The Banks are expected to provide fresh loans to individual weavers and weavers cooperative societies to the tune of Rs.1000 crore in each of the two years of implementation of this financial package, i.e., 2011-12 and 2012-13. The recommended outlay for interest subvention at 4% per annum has been worked out at Rs.560 crore during 12th Plan (Table 6.6).

Table 6.6

Proposed Outlays for Interest Subvention Scheme for Handloom Sector

(Rs. crore)

Item	2012-13	2013-14	2014-15	2015-16	2016-17	Total
Proposed Credit Mobilisation Target	1000	2000	3000	4000	4000	14000
Proposed outlay for Interest Subvention	40	80	120	160	160	560

6.4.4 At the proposed level of Bank loans for weavers (presently estimated at Rs. 1000 crore), the total requirement is estimated at Rs. 240 crore. However, after the implementation of the package, all 13000 operational societies are expected to become eligible for bank loan and weavers loans extended by the Banks are expected to increase many folds. In subsequent

years, additional amounts may be required and would need to be provided in the Annual Financial Budget of the GoI if the scheme is felt necessary to run.

6.4.5 Credit Guarantee Fund Scheme for Micro and Small Enterprises

Institutional sources are still reluctant to provide loan to decentralized sector including handloom. In order to ensure adequate flow of credit to the sector, credit guarantee scheme will be useful. The Working-Group, noted that DC(Handicrafts) has entered into an agreement with CGTMSE for payment of Guarantee Fee / Annual Service Fee in respect of credit facilities sanctioned to handicrafts sector guaranteed under CGS. The Working-Group, therefore, recommended that similar arrangement be considered for the handloom sector. To avail the facility under CGS, a one-time upfront guarantee fee at specified rate {(a) currently 1.00% of sanctioned amount in the case of credit facility upto Rs. 5 lakh and 1.5% in the case of credit facility above Rs. 5 lakh; and (b) 0.75%, in case of credit facilities upto Rs.50 lakh sanctioned to units in North Eastern Region including State of Sikkim)} is payable by Member Lending Institutions to the Trust. Further, an annual service fee at specified rate (currently 0.50% of sanctioned amount in the case of credit facility up to Rs. 5.00 lakh and 0.75 % in the case of credit facility above Rs. 5.00 lakh) is payable by Member Lending Institutions to the Trust. Therefore financial requirement for availing this facility has been worked at Rs. 210 crores (Table 6.7).

Table 6.7

Proposed Outlay for Credit Guarantee Fund Scheme for Micro and Small Enterprises

(Rs. crore)							
Sl.No.	Item	2012-13	2013-14	2014-15	2015-16	2016-17	Total
1.	Credit Mobilization Target	1000	2000	3000	4000	4000	14000
2.	Outlay for guarantee fee at the rate of 1%.	10	20	30	40	40	140
3.	Outlay for service charge at the rate of 0.5%.	5	10	15	20	20	70
4.	Total (2 + 3)	15	30	45	60	60	210

6.4.6 Convergence of Schemes with other Ministry (Credit under SGSY of the Ministry of Finance)

6.4.7 Handloom activities is primary a rural based activity. More than 80% handlooms are located in the rural areas and 78 % are women. In Swaranjayanti Gram Swarojgar Yojana emphasis is on Group Approach and also with particular emphasis on group formed by women and the weaker sections. Therefore handloom sector is a fit case for tie up with Ministry of Rural Development. It is therefore recommend that efforts need to be taken to convergence with the schemes of the Ministry of Rural Development. The SGSY is primarily follow the group approach. The group should demonstrate minimum levels of sub-group dynamism before considering for assistance with the loan-cum-subsidy for the group under the SGSY. The group is entitled to subsidy of 50% of the project cost subject to per capita subsidy of Rs.10,000 or Rs.1.25 lakhs whichever is less.

6.4.8 Policy Recommendations

The Sub Group felt need for extending credit for Insurance premiums such as Marine Insurance & Export Credit Guarantee and Credit for the realization period of export proceeds.

6.5 FINANCIAL OUTLAY PROPOSED FOR 12th PLAN

The proposed outlay for Credit Mobilisation for the Handloom Sector has been recommended at Rs.1270 crore, out of which provision of Rs 500 crore has been made in the cluster programme, so net fund requirement is Rs. 770 crore The details are at Table 6.8.

Table 6.8
Proposed Outlay during the 12th Plan

Proposed outlay		2012-13	2013-14	2014-15	2015-16	2016-17	Total
Credit Mobilisation		1000	2000	3000	4000	4000	14000
1	Interest Subvention of 4 %	40	80	120	160	160	560
2	Margin Money for 100, 000 weavers per annum @ Rs.10,000	100	100	100	100	100	500*
Credit Guarantee							
a	1 % the committed amount	10	20	30	40	40	140
b	0.5 % the disburssed amount	5	10	15	20	20	70
3	Sub Total (a+b)	15	30	45	60	60	210
Grand Total(1+2+3)		155	210	265	320	320	1270*

- *Provision for margin money has been made under cluter programme.

CHAPTER - 7

TRAINING, HRD, R&D AND TECHNICAL PROCESSES

Introduction

The Handloom Sector represents the rich and varied cultural heritage of India. The origin of Indian textiles can be traced to the Indus Valley Civilization. Ample evidence on the ancient textiles of India can also be obtained from the various sculptures belonging to Mauryan and Gupta age as well as from the ancient Buddhist scripts and murals (Ajanta Caves). Silk fabrics from South India were exported to Indonesia during the 13th Century. India also exported printed cotton fabrics to European countries and the Far East before the coming of the Europeans to India.

The weaving skill and production techniques involved in different stages of production are evolved historically and passed on from generation to generation are unique characteristics of the Indian Handloom Industry. In terms of skill and design, handloom fabric is characterized by region specific diversity. Every state has its own brand in the Handloom products. Varanasi Brocades of Uttar Pradesh, Jamdani Weaves of West Bengal, Kanchipuram Silk of Tamil Nadu, Pochampalli weave of Andhra Pradesh, Maheshwari weaves of Madhya Pradesh and Ikat Weaves of Orissa are well recognized and differential products.

7.1 Review of Existing Policy Framework during 11th Plan

7.1.1 Diversified Handloom Development Scheme

Under the Diversified Handloom Development Scheme (DHDS), emphasis is laid on strengthening of Weavers' Service Centres and Indian Institutes of Handloom Technology for

skill upgradation and design development. The skill development oriented components of the Diversified Handloom Development Scheme are as follows:

I. Skill Development Oriented Components of Diversified Handloom Development Scheme (DHDS)

a) Strengthening of Weavers' Service Centres (WSCs) and Indian Institutes of Handloom Technology (IIHTs)

At the time of the commencement of the 11th Plan, there were twenty five WSCs in existence in the various parts of the country. These WSCs are involved in product development, improving weaving/processing techniques, skill upgradation of weavers by disseminating improved techniques and new designs by undertaking training programmes within the precincts of the Centre and in the field. There were four Indian Institutes of Handloom Technology located at Varanasi, Salem, Jodhpur, & Guwahati. These institutes are at present running 3 years Diploma in Handloom Technology and 1-1/2 years Post Diploma course in Textile Chemistry (only at Salem and Varanasi). All IIHTs had own building upto 2007-08. Unlike IIHTs, only 16 WSCs have own building and rest are housed in rented building owned by individual or given by the concerned state governments. The details of WSC having own buildings and housed in rented buildings is at **Annexure-14**.

b) Indian Institute of Handloom Technology, Bargarh

The most notable achievements under the DHD Scheme during the 11th Plan is setting up of the IIHT at Bargarh, Orissa. This institute has been set up in pursuance of the announcement made by Hon'ble Prime Minister during his visit to the State of Orissa in August 2006. Like other IIHTs, it awards three years' Diploma Course in Handloom Technology (DHT) with the intake capacity of 30 students per year. This Institute has temporarily been housed w.e.f. 2.06.2008 in State Govt.'s Panchayat College Campus, Bargarh. An area of 27.46 acres of land has already been allotted by Government of Orissa. The construction of its own building is in full swing. The cost for the construction of new building has been approved at Rs. **36.09 crore**. A sum of Rs 19.05 crore has been released to

CPWD (Rs. 8.00 crore during 2011-12). The construction work is likely to be completed by the end of July, 2012.

c) Setting up of IIHT under State Sector

A sum of Rs.1.00 crore has been kept for IIHT, Champa as Central Grant during the 11th Plan. The construction work of IIHT, Champa has not yet been completed. Therefore, Central share has not been released to the IIHT Champ till date. In principle approval has also been accorded for the setting up of IIHT, Kannur under State Sector in 2010.

d) National Centre for Textile Design (NCTD)

This centre was set up in January, 2001 at Handloom Pavilion, Pragati Maidan, New Delhi to promote traditional and contemporary design to enable the textile industry, particularly the Handloom Sector, to be responsive to the rapidly changing market demands. The total expenditure incurred during 2009-10 is Rs. 0.81 crore. A sum of Rs.0.85 crore has been kept for the purpose of NCTD Exhibition and work relating to online creation of design for the year 2011-12.

e) Design Exhibitions-cum-Dyeing Workshops

Design Exhibitions-cum-Dyeing Workshops propagate modern dyeing techniques and make available designs at the doorsteps of the weavers. 233 & 300 workshops were sanctioned during 2009-10 & 2010-11 for which Rs 0.25 crores and 0.30 crore were released for the purpose during respective years. Rs.30.00 lakh has been released for conducting 300 workshops for the year 2011-12.

f) Research & Development (R&D)

R&D activities which, inter alia, cover studies, need based survey, study strength and weakness of the Handloom Sector and so on. During the current financial year, budget outlay of Rs.10 lakh has been earmarked for R & D activities.

II. Other Components of DHDS

a) Handloom Census and Issue of Photo Identity Cards

Another important achievement under DHDS has been completion of Third Handloom Census and Issue of Photo Identity Cards. This work had been awarded to National Council of Applied Economic Research (NCAER) on 19.3.2008. The Census work has been successfully completed at the cost of Rs. 23.83 crore. The report of the Handloom Census of India (2009-10) was released on 23rd December, 2010. Likewise, about 30 lakh Photo Identity Cards have been prepared and distributed to concerned State Govts.

b) Jammu & Kashmir Wool and Woollen Design and Development Project

The Project for Development of Wool and Woollen Design and Development Centre for the State of J&K had been approved with an amount of Rs.4.93 crore under Phase-I under PM's Special Package to the State of J&K. Phase-I, which was related with creation of weaving facilities, has been completed. The implementing agency was Jammu & Kashmir Handloom Development Corporation. IIT, Delhi has been appointed as consultant for the formulation and implementation of Phase-II of the project, which is primarily related with creation of pre-weaving and post-weaving facilities. A sum of Rs. 1.00 crore has been also released during 2010-11 for implementation of Phase-II. Outlay and expenditure during 11th Plan under Diversified Handloom Development Scheme is at **Annexure-15**.

7.1.2 Integrated Handloom Development Scheme (IHDS)

The Integrated Handlooms Development Scheme (IHDS) has been introduced for implementation during the XI Plan as a Centrally Sponsored Plan Scheme for the development of Handloom Sector. The components of IHDS, inter alia, include, (i) Cluster Development Programme and (ii) Group Approach.

IHCDS was introduced in 2006-07 for holistic and integrated development of 20 Handloom Clusters, each having about 5000 handlooms. Each cluster had to be developed over a period of 5 years (initially it was for 4 years) with an upper ceiling of Rs.2.00 crore per cluster. Under this component, 458 training programmes have been organized at the cost of Rs.1.78 crores.

Skill upgradation is an integrated components of Cluster Development Programme and Group Approach. During the period 2007-08 to 2010-12 (upto July 2011), 542 Cluster Development Projects and 1789 Group Approach Projects have been sanctioned and now these are at various stages of implementation. A sum of Rs.27 crores (approximately) has been released and training to about 30,000 weavers and allied workers has been provided.

7.1.3 Integrated Skill Development Scheme (ISDS)

Integrated Skill Development Scheme (ISDS) is a flagship scheme of the Ministry of Textiles. It has been launched in 2010 to address the training needs of the textiles and related segments. It planned to provide training to 26.75 lakh persons at the estimated cost of Rs. 1952.83 crores (Rs. 2359.70 crores including non-government contribution) over a period of 5 years. During the remaining two years of the XI Plan (2010-11 & 2011-12), the scheme has been approved as a Pilot Project with the approved outlay of Rs 228.99 crores with a physical target of 2.70 lakh persons. For the handloom sector, it has been targeted to train 1.55 lakh persons at the estimated cost of Rs.98.10 crore over a period of five years. The earmarked outlay is Rs.17.05 crore to train 26.60 thousand persons during the two years of the 11th Plan i.e. 2010-11 & 2011-12 (**Table 7.1**). The details are as follows:

- The scheme is proposed to leverage on the existing strong institutions and training experience within the Ministry on the one hand and ensures private sector participation through PPP Model on the other. The expansion of training centers would be demand driven, based upon the requirements of the Industry.
- It would cover all segments under the ambit of the Ministry including Handlooms.

- All facets of the Skill Development will be covered viz. Basic Training, Skill Upgradation, Advanced training in emerging technologies, training of trainers, orientation towards modern technology, retraining, skill upgradation, managerial skill, entrepreneurship etc..
- The average cost per trainee (for the Government) to be borne through the Scheme would be approximately Rs.7300/-.
- The Govt. will meet 75% of the total cost of the project, and balance 25% would be met from Fee / Industry Contribution. However, in courses / programmes (of Component –I) where it is not feasible to organize the beneficiary contribution, the Empowered Committee shall be authorized to approve a higher level of Government assistance.

Table 7.1
Physical & Financial Targets of the Scheme (2010-11 & 2011-12)

	Physical (000 persons)			Financial (Rs. Crores)		
Sector	Year 1	Year 2	Total	Year 1	Year 2	Total
Total	95.23	160.85	256.07	97.82	126.68	224.50
Of which						
Handloom	9.20	17.40	26.60	5.83	11.23	17.05
PPP	11.00	2.00	36.00	8.25	18.75	27.00
Add 1% Admin / Monitoring & 1% Evaluation Cost						
Rs. 228.99 crore						

7.1.4. Progress of ISDS

ISDS has been launched in October 2010. This is one of the best schemes to have come out in the recent times and certainly will help in shoring up the available workforce to the talent and skill deprived in the textile sector particularly in apparel sector. By the end of the March 2011, 6 projects have been sanctioned with the approved project cost of Rs. 288.22 crores. Against the approved GOI' share of Rs. 201.33 crore, a sum of Rs. 100.70 crore has been released.

During 2011-12, 7 more projects have been sanctioned having a project cost of Rs. 61.20 crore. A sum of Rs. 18.46 crore out of Rs.45.10 crore has been released as part of

the GOI grants till June, 2011. Five more projects have been received, which are at various stages of approval/consideration (Table 7.2).

Table 7.2
Progress of the Integrated Skill Development Scheme (ISDS)

(Rs. crore)

Sl. No.	Details	No. of Projects	Approved Project Cost	Approved Grant	Grant Disbursed
A	Sanctioned during 2010-11	6	288.22	201.33	100.70
B	Sanctioned during 2011-12 (till June, 2011)	7	61.20	45.10	18.46
	Total (A + B)	13	349.42	246.43	119.16
C	Proposals under Consideration	5			

7.2 Evaluation of the schemes

7.2.1 Evaluation of the scheme relating to Skill Development

The assignment relating to evaluation of Integrated Handloom Development Scheme (IHDS) and Diversified Handloom Development Scheme (DHDS) has been awarded to Spectrum Planning (India) Ltd.. The scope of the work, inter alia, include assessment of upgradation in the skills of weavers as a component of IHDS and to assess the impact of Design Exhibition-cum-Dyeing Workshop as a component of DHDS. The findings of this Draft Evaluation Report are as follows:-

- On an average, 60% beneficiaries attended both the workshops (Design Exhibition-cum-Dyeing Workshop). Almost 100% beneficiaries in Orissa attended workshop for design development.
- Overall, infrastructure of workshops has been rated Good by 62%, very good by 10% and 27% have rated workshops to be poor. Almost equal rating is done for quality of display during workshop.

- Only 8% trainees could learn more than 10 new designs, 17% could learn 5 to 10 new designs, whereas maximum 69% learnt less than 5 new designs during workshop. There were these 6% trainees also who did not learn any new design. 60% could adopt the new designs learnt during workshop, others could not.
- Overall, 41% beneficiaries reported increases sales of their products after attending the workshop. The workshop enhanced wages by 30% on an overall average. 72% beneficiaries reported improvement in quality of their product due to knowledge gained during workshop. Almost all were not satisfied with 2 to 3 days workshop and wished to have a longer duration for such workshops.
- This report has recommended that depending upon feed back from the attendees of workshop, extending the duration of workshop by another day or two can be considered and implemented, if found feasible. Infrastructure of workshop including display needs improvement to reach excellent status.
- There is a lack of motivation among Govt. staff for the scheme. The fresher course should be organized to keep the interest alive and motivation on Top.
- Weaving, Dyeing and Designing training under IHDS has enhanced the weaving skills of trained weavers, trained them for economical use of dyes & chemicals and better understanding of new designs & colour trends.
- Weavers in all States have reported that there has been substantial upgradation in their skills after receipt of financial assistance under IHDS. On overall basis around 92% beneficiaries have responded that their skills have been upgraded post IHDS.
- Productivity increased by 33% resulting daily wages have gone up by 29% overall due to IHDS.

7.2.2 Recommendation of the Expert Committee, Planning Commission

The recommendations of the Expert Committee, constituted by the Planning Commission, regarding Skill Development and Human Resource Development are detailed below:-

- Up-gradation of skills and building capacities in the entire weaving chain needs to be taken up. Apart from this, skills in production, planning, costing, quality control and marketing as well as in design development are also required.

- Curricula ought to be created in consultation with master weavers so that the new generation of weavers learns not only about new technologies and CAD but also about traditional design vocabularies.
- It is imperative that different schools of weaving and their respective oral knowledge are passed down to the younger generation so as to ensure a distinct USP in their product range to meet the needs of an increasingly homogenous global market.
- High skill training programs on the Draw-loom and Gattuwa Loom must be provided to practicing weavers to further upgrade their skills. The work of masters in these techniques must be considered for the higher priced heritage niche markets and promoted as such.
- Government should honour master weavers with degrees from forward looking universities. A program could be initiated for this as a simple dissertation on their craft and techniques. The information can be documented and archived for future reverence.

7.3 12th Plan Approach towards Skill Development

The approach paper of the Twelfth Plan of the Planning Commission laid the emphasis that the basic objective for the Twelfth Plan must be **faster, more inclusive and sustainable growth**. A target range of GDP growth of **9 to 9.5% has been envisaged**. Twelfth Plan Approach towards Skill Development is Enhancing Skills and Faster Generation of Employment. Skill building can be viewed as an instrument to improve the effectiveness and contribution of labor to the overall production. Skill building could also be seen as an instrument to empower the individual and improve his/her social acceptance or value.

The contemporary focus on skill building or skill development in India is derived from the changing demographic profiles in India vis-à-vis China, Western Europe, and North America. These changing demographic profiles indicate that India has a unique 20 to 25 years' window of opportunity called **“demographic dividend”**. The demographic dividend is essentially due to two factors (a) declining birth rates and (b) improvement in life expectancy. The result is low dependency ratio which can provide comparative cost advantage and competitiveness to the economy. The “demographic dividend” accounts for India having world's youngest work force with a median age way below that of China and OECD

Countries. Alongside this window of opportunity for India, the global economy is expected to witness a skilled man power shortage to the extent of around 56 million by 2020. Thus, the “demographic dividend” in India needs to be exploited not only to expand the production possibility frontier but also to meet the skilled manpower requirements in India and abroad.

To reap the benefits of “demographic dividend”, the Eleventh Plan had favored the creation of a comprehensive National Skill Development Mission. As a result, a “Coordinated Action on Skill Development” with three-tier institutional structure consisting of (i) PM’s National Council (ii) National Skill Development Coordination Board (NSDCB), (iii) National Skill Development Corporation (NSDC) was created in early 2008. Whereas, Prime Minister’s National Council on Skill Development has spelt out policy advice, and direction in the form of “Core Principles” and has given a Vision to create 500 million skilled people by 2022 through skill systems (which must have high degree of inclusivity). The NSDC has taken upon itself the task of coordinating the skill development efforts of a large number of Central Ministries/Departments and States. The NSDC has geared itself for preparing comprehensive action plans and activities which would promote PPP models of financing skill development.

The three-tier structure has laid the institutional foundations for a more proactive role of public (Centre plus States) and private and third sector interactions and interfaces for harnessing the benefits of demographic dividend. It has also been able to focus on skill development through the creation of a coordinating mechanism. It has also made the issue of skill development as an important agenda for the Governments at Centre as well as States. It has articulated the importance of State Governments in the delivery of skill development.

7.3.1 Challenges on Skill Development during the Twelfth Plan

The challenges on skill development that merit attention, as visualized by the Planning Commission, in the remaining years of the 11th Plan and the 12th Plan are presented below:

- 1) Government’s preoccupation with providing and financing training has led to overlook its role in one key area- dissemination of information on the nature and quality of training particularly with respect to enrollment, institutional capacity, completion information and graduate follow-up data from all registered vocational

institutions. This will enable the government and the stakeholders to see whether the system is responding to employers' needs and devise policies accordingly.

- 2) Whilst industry associations and individual employers are beginning to show interest involving themselves in the development and management of the ITIs, their involvement in the vocational training system is still at a nascent stage. Involvement of employers in management will see a major spurt only if the governments are willing to provide institutions greater autonomy. However, increased autonomy needs to be accompanied by greater accountability and performance must be measured on the basis of internal/external efficiency indicators.
- 3) The management of the Vocational Education and Training System is fragmented and shared between various institutions, especially the NCVT, DGET and the SCVTs. There is a lot of scope to improve coordination between them and improve their effectiveness through more functional partnerships.
- 4) Since funding is largely restricted to publicly provided training, little attention is paid to financing as an innovative means to encourage good quality public / private / in-service training. Once an institution begins to receive funding, subsequent funds are assured regardless of the institution's performance. Student fees in ITI's/polytechnics go to the State treasuries and hence, the training providers have very little financial incentive to improve efficiency and cater to the market requirements. Therefore, there is a need to re look at the funding of skill development activities.
- 5) Vocational training institutes should be given greater freedom in terms of resource generation (sale of production or service activities, consultancy) and in utilizing the proceeds for not only cost recovery but also incentivizing those who generate revenues.
- 6) There is a need to identify institutions to carry out impact evaluation studies/ tracer studies/ surveys of graduates from vocational institutes on a regular basis.

7.3.2 Challenges faced by WSCs/IIHTs during 11th Plan

- a) Acute shortage of technical and non-technical officers and staff members has restricted the overall performance of all WSCs and IIHTs. Out of 1106 Group C & D posts, presently 785 posts only exist, out of which, 140 posts are lying vacant. Similarly, out of 71 officers' post, only 55 posts exist today of which 18 posts are lying vacant.

- b) Due to abolishment of various posts, there is no balance in staff pattern leading to non-harmonious performance of the Centres and Institutes.
- c) No sufficient fund under Other Charges (Non-plan) was available to hire minimum required staff on contractual basis.
- d) Sufficient infrastructure like land, building, new machinery etc. could not be built up due to shortage of funds in different heads under Non-plan.
- e) No sufficient fund was available under Domestic Travel Expenses (Non-plan) to carry out extensive field work for imparting training, organizing workshops, solving technical problems faced by the weavers, monitoring the implementation of various Central schemes etc.

7.4 Training Requirement during the 12th Plan

As per Handloom Census of India (2009-2010), there are 43.32 lakh handloom weavers and allied workers in the country concentrated mainly in Assam, Andhra Pradesh, Tamil Nadu, West Bengal, Uttar Pradesh & Manipur. The work participation in the handloom activities in India is dominated by female workers as 78% handloom workers are female. The dominance of female weavers in the total weavers' work force is highest in the North Eastern states where it is 99%. In all other States, weaving activities is dominated by male weavers. Out of 38.46 lakh adult handloom workers, about 76% workforce are engaged in weaving activities and about 24% handloom workers are engaged in allied activities (Table 7.3).

Table 7.3
Adult Handloom Weavers and Allied workers

Category		Male	Female	Total
Handloom Weavers	No. in lakh	7.05	22.03	29.08
	%age	83.1	73.48	75.56
Allied Workers	No. in lakh	1.42	7.95	9.38
	%age	16.9	26.52	24.4
Total	No. in lakh	8.48	29.98	38.46
	%age	100	100	100

Allied activities may again be grouped under two categories: i) pre-weaving & ii) post weaving. As far as pre-weaving is concerned, it includes preparatory activities like winding of yarn for the purpose of warp, winding of pirns for weft, sizing and dyeing of yarn. Similarly, members could be engaged in post-weaving like, dyeing of fabric, calendaring/finishing of made-ups and so on. The core activities of the handloom sector is weaving and weaving skill is hereditary. It is, therefore, debated whether hereditary weavers needs any kind of training or not. Another limitation of weaving activities from skill upgradation point of view is that the scope of technical upgradation of handloom is also limited. However, in case of pre-weaving and post weaving, levels of skill and technology vary from primitive/traditional to modern. Therefore skill upgradation in the field of pre & post weaving activities is very much warranted.

7.4.2 Levels of Education

Most of the adult handloom workers have very low levels of educational attainments and a large proportion (29%) of this group reported that they never attended the school. About 83% handloom workers have either no education or have middle level of education. Only 17% handloom workers have education either of high school or above (Table 7.4).

Table 7.4
Education profile of Handloom workers

Sl.No.	Education Level	Number (lakh)		Percentage	
	Never attended school	11.30	32.06	29.4	83.2
	Below Primary	4.87		12.7	
	Primary	7.01		18.2	
	Middle	8.82		22.9	
	High School	3.92	6.45	10.2	16.8
	Higher Secondary	1.79		4.7	
	Graduate and above	0.74		1.9	
	Total	38.46	38.46	100	100

The level of education of handloom workers has serious implications for any training related programme. As discussed above majority of handloom weavers do not have formal

education therefore any training programme based on formal education would be difficult to implement for the handloom sector.

7.4.3 Mandate of WSCs

- Design development for handloom products, both for domestic and export market.
- Product development with new textures, fibres, designs and colours, both for domestic and export market.
- Carry out experimental and research work on pre-loom, loom and post-loom processes for handloom sector and to bring them from lab to land.
- Extending technical service in solving the problems in pre-loom, loom and post-loom manufacturing processes.
- Skill upgradation of weavers, dyers, printers, designers by conducting various training programmes like
 - a) Training to Trainers.
 - b) Training in the field under various schemes like IHDS/ISDS etc.
 - c) Evening course on CATD.
 - d) Crashed course of short duration.
 - e) 1 year course on specialized techniques like Tie-dye, Jamdani, Paithani, Himru, Mashru, Kimkhab, Baluchari etc.
- Preserving and documenting traditional skills and products.
- Revival of languishing handloom crafts.
- Implementation of handloom cluster scheme and other Central Govt. schemes and its monitoring with State agencies.
- Conducting exhibition/workshop/seminar/BSM for extending marketing support to the weavers.
- Conducting market research of handloom products.
- Establishing linkages with State authorities, Apex/primary societies, Handloom Corporations, Master weavers, NGOs and clusters etc. for effective implementation of handloom schemes of Govt. of India.

All 25 WSCs of the country is likely to prepare 27978 paper design, develop 18810 cloth sample and to train 23659 handloom weavers and allied workers during the 11th Plan.

7.4.4 Mandate of IIHTs

In order to create qualified manpower for carrying out various developmental activities for handloom sector, 3 years Diploma course in Handloom Technology was introduced in Indian Institute of Handloom Technology at Varanasi and Salem in the year 1956 and 1960 respectively. Now 5 Institutes are functioning at Varanasi, Salem, Guwahati, Jodhpur and Bargarh with an intake of 280 Students every year. Another specialized course namely, Post Diploma in Textile Processing is conducted in IIHT Varanasi and Salem with an intake of 28 students annually. The mandate of IIHTs are:

- Conducting 3 yr. Diploma course in Handloom & Textile Technology in all Institutes.
- Conducting Post Diploma in Textile Processing in IIHT Varanasi and Salem.
- Introduction of Degree course in Handloom and Textile Technology firstly at Salem and Varanasi, which will be gradually introduced in remaining institutes.
- Training programmes.
 - a) Short Term Training.
 - b) Entrepreneurship Development.
- Carry out experimental and R & D work on pre-loom, loom and post-loom processes for handloom sector and bring them from lab to land.
- Undertake project work on various technical subjects as per need of the sector.
- Extending technical service to the sector.
- Arranging seminar/workshop on new technologies and processes.

The performance of WSCs' and IIHTs' is given at **Annexure-16**.

7.4.5 Activities of WSCs/IIHTs recommended by the Working Group

- a) All technical vacant posts are to be filled up as quickly as possible.
- b) Restructuring of posts is to be done as per workload and specialty of the particular Centre.
- c) Additional staff members considering the model of staff pattern are to be engaged on contractual basis. The details are at **Annexure-17**.
- d) Infrastructure like land, building existing, new looms, equipment, machinery, computer LAN, library, and furniture etc. is to be built up.

- e) While formulating the Central schemes that are to be implemented by WSCs like IHDS, DHDS and ISDS etc. provision of sufficient fund for TA and administrative cost is to be made so that no financial problem arises in executing the same.
- f) One-time revolving fund may be given to WSCs for carrying out designing and sample production work on pilot level with the help of societies/master weavers.
- g) 4 year Degree course in Handloom and Textile Technology may be introduced in Institutes at Varanasi and Salem with the demand of higher education in the present context of science and technology to be made available to the sector.
- h) Re-introduction of 4 month Short Term Training programme in all Institutes.
- i) Entrepreneurship Development Programme for a period of one month may be organised for the final year students of the Institutes so as to enable them to take up handloom activity as a business module. Each Institute may organize 2 programmes for 50 students during the month of May and June (after final exam) in association with local reputed management institutions.
- j) TOT (Training of Trainers) programme for a period of one month in the Centre is to be conducted for the weavers and allied workers(stipend @ Rs.200/ per day) so as to create a pool of Master Trainer as required for conducting all training programmes. 3700 weavers/Dyer/Designer will be trained during the period.
- k) Introduction of 1 year stipendiary training course of special handloom craft like Tie-dye, Jamdani, Paithani, Himru, Mushru, Patola, Kimkhab and Baluchari etc. is to be made for the weavers (stipend @ Rs.200/ per day) in the Centre so as to ensure the continuity of our rich handloom tradition in the coming years. 500 weavers on different crafts in various Centres may be trained during the period.
- l) Crash training programmes (in-house) of shorter duration on CATD, Weaving, Dyeing and Printing to continue on payment of fees as per demand.
- m) Separate evening training course of 1 month on CATD may be introduced on payment basis so that candidates, specially the students of various colleges related to designs and textiles/home science etc. may attend such course.
- n) Regional Textile Museum is to be set up at WSC Mumbai, Chennai, Kolkata, Benaras and Guwahati for preserving, documenting and exhibiting traditional handloom textiles.
- o) Annual exhibition on regional specializations that are developed in the Centre is to be organized by Zonal office at least at 3 different places. This will not only create an impact of the activities of the Centres among the general public but also give an

opportunity to the weavers, manufacturers, exporters etc. to adopt new designs and samples for commercial production.

- p) Creation of common website for WSCs/IIHTs having complete information on all the activities will help to reach out to the people very easily.
- q) Aggressive regular publicity in all local print media in vernacular language is to be made quarterly across the country to create awareness among the weavers so that they may be in a position to avail the benefits of all the schemes meant for them.
- r) Weekly Handloom Promotional Programme (HATHKARGHA VIKASH or HATHKARGHA PARAMPARA) may be telecast in Doordarshan in the evening hours in local channels in tie up with Ministry of Information & Broadcasting like programmes aired for Agriculture or Health.
- s) Name of Weavers' Service Centre may be changed to "Handloom Service Centre" (in short HSC) so as project its multifarious nature of activities those are being rendered for the handloom sector.

The details of mandate recommended by the Working-Group for WSCs' and IIHTs' are at **Annexure-18.**

7.5 Recommendations of the Working Group

7.5.1 There is a serious gap between the training needs of the different segments of the handloom sector and the training provided by the existing training institutes and under the scheme of o/o DC (Handlooms). To fill up the demand supply gap, a focused and financially sustainable strategy needs to be put in place during the Twelfth Plan. There is a need to implement ISDS vigorously during the 12th Plan. To address the issue of shortage of trained manpower, the following recommendations are made:

7.5.2 Proposed Skill Development Scheme

ISDS has targeted to train approximately 26.75 lakh persons (1.55 lakh for handloom) over a period of 5 years at the estimate cost of Rs. 1953 crore (Rs.98.10 crore for handloom sector). The two years of ISDS falls during 11th Plan (2010-11 & 2011-12) and the remaining

3 years (2012-13, 2013-14 & 2014-15) during 12th Plan. The experience of implementation of ISDS suggests that targeted training for the handloom sector is ambitious. Therefore, target envisaged during the 12th Plan upto 2014-15 has been retained and the remaining two years of 12th Plan has been projected assuming a growth of 5%. Again, ISDS is based on Rs. 7300/- per trainee. The experience of implementation of this scheme also indicates that financial target of Rs. 7300/- per trainee is on lower side. Therefore, Rs. 15000/- per trainee has been recommended for the 12th Plan. A sum of Rs. 352.5 crore has been recommended for Skill Development (Table 7.5).

Table 7.5
Physical and Financial Targets for Skill Development

	2012-13	2013-14	2014-15	2015-16	2016-17	Total
No. of Trainees (in lakh)	0.34	0.44	0.50	0.52	0.55	2.35
Proposed outlay for Training (Rs. crore)	51.00	66.00	75.00	78.00	82.5	352.5

7.5.3 Strengthening of Existing institutions with o/o DC (Handlooms)

There is a strong institutional structure and several instruments and valuable training experience available within the ambit of the o/o DC (Handlooms) towards skill development. There is a need to leverage on these existing resources and maximize their potential through upgradation / enhancement / deepening of their capacities. The recommended strategy is two folds: i) Own building to all Existing Weavers' Service Centres, and ii) Setting up new Weavers' Service Centres in Central Sector

a) Own building to all Existing Weavers' Service Centres,

As discussed earlier in para no. 7.1.1.(a), 9 Weavers' Service Centres has been housed in rented building. It has been recommended that all Weavers' Service Centres should have own building by the end of 12th Plan. It is, therefore, proposed an outlay of Rs 70.00 crore (Rs.54 crore for building for 9 WSC @ Rs.6.00 crore and remaining amount for land). Even

in case of existing WSCs, facilities available are in bad shape. It has been recommended that modern training facilities including dyeing needs to be provided to all WSCs. It is therefore proposed an outlay of Rs. 30.00 crores @ Rs. 1.00 crore for each WSC and IIHT. Provisions have been proposed for the on going construction works at IIHT, Bargarh (Rs.18 crore), WSC, Panipat (Rs.1.9 crore), WSC/IIHT, Varanasi (Rs. 25.00 crores), WSC, Kannur (Rs.3.16 crore). A sum of Rs. 150 crore is proposed for construction of own building.

b) Setting up new Weavers' Service Centres in Central Sector

At present there are 25 WSCs in the country. In some states, like Uttar Pradesh (Varanasi & Meerut) & Andhra Pradesh (Hyderabad & Vijaywada), there are two WSCs, in case of Tamil Nadu there are 3 WSCs at Chennai, Kancheepuram and Salem. Also in North Eastern States, there are 3 WSCs located at Guwahati, Imphal and Agartala which take care of 8 North Eastern States. The proposal relating to three more WSCs in NER is under consideration. In other emerging handloom States such as Jharkhand and Himachal Pradesh, there is need to set up WSCs. For example, at present handloom related needs of Jharkhand is taken care by WSC, Bhagalpur, Bihar which is about 500 Kilometers away from State Capital of Jharkhand, Ranchi. Outlay of Rs.35.00 crore (Rs. 7.00 crore for 05 WSCs) has been recommended for this purpose.

c) Installation of Machinery and Equipment in WSCs / IIHTs

Machinery and equipments installed in different WSCs and IIHTs are not up to mark. It has, therefore, been recommended to install new and updated machinery and equipments in different WSCs and IIHTs to meet the challenges of the market. An outlay of Rs. 36.00 crore has been recommended for this purpose which is based on inputs received from WSCs and IIHTs.

d) Setting up of IIHT under Central Sector

This component provides for setting up of new Indian Institute of Handloom Technology by the Government of India on the tremendous demand from Handloom

concentrated and newly formed States. The cost of setting up two IIHTs in the Central Sector for 5 years is estimated to be about Rs. 80.00 crore @ Rs. 40.00 crore each. This activity will be in addition to the upgradation and strengthening of existing WSCs and IIHTs. The Group also recommended to establish linkages of IIHTs and WSCs with IITs as has been done in case of J & K Design and Development Center.

e) Setting up of IIHT under State Sector

A sum of Rs. 1 crore has been kept for IIHT, Champa as Central Govt. contribution during the 11th Plan. The construction work of IIHT, Champa has not been completed, therefore, Central share has not been released to the IIHT Champa. In principle approval has also been accorded for the setting up of IIHT, Kannur under State Sector in 2010. 40% of the infrastructure cost would be released as Central share. The amount under these activities would be worked out at Rs. 3.952 crores. The Group recommended a sum of Rs. 64 crore as a Central share for 4 IIHTs under State sector @ Rs. 16 crore (40% of the estimated cost of Rs. 40 crore).

7.5.4 National Centre for Textile Design (NCTD)

This centre was set up in January, 2001 at Handloom Pavilion, Pragati Maidan, New Delhi to promote traditional and contemporary design to enable the Textile industry, particularly the Handloom Sector, to be responsive to the rapidly changing market demands. The total expenditure incurred per annum is Rs. 1.20 crore. A sum of Rs. 6.00 crore has been kept for the purpose of Tantavi Exhibition and work relating to online creation of designs during the 12th Plan (Rs. 1.20 crore per annum)

7.5.5 Jammu & Kashmir Wool and Woolen Design and Development Project

The Project for Development of Wool and Woolen Design and Development Centre for the State of J&K had been approved with an amount of Rs.4.93 crore under Phase-I under PM's Special Package to the State of J&K. The implementing agency was Jammu & Kashmir Handloom Development Corporation The Phase-I had been completed. The Phase-I is related with creation of weaving facilities. IIT, Delhi has been appointed as consultant for the formulation and implementation of Phase-II of the project which is primarily related with

creation of pre-weaving and post-weaving facilities. A sum of Rs. 1.00 crore has been also released during 2010-11 for the implementation of Phase-II. A sum of Rs. 15.00 crores has been recommended for pre-weaving, post-weaving and other activities like product development and sale promotions during the 12th Plan.

7.5.6 Research & Development (R&D)

R&D activities which, inter alia, cover studies, need based survey, taking into account the strength and weakness of the Handloom Sector and take steps to ensure that the Sector benefits from the more open trading. During the 12th Plan, Rs.7.00 crore (@ 1.40 crore per year for 5 years) has been proposed for Research and Development.

7.5.7 Orientation Training of WSCs/IIHT Staffs

A sum of Rs.1.00 crore has been recommended for the purpose of training of the staff of the WSCs/IIHTs during 12th Plan (Rs. 20.00 lakh per year for two groups having 20 members each). The training would be arranged through NIFT, IIT and other capable institutions.

7.5.8 Design and Product Development

The main activity of the WSCs is Design development for handloom products & product development with new fibres, textures, designs, both for domestic & export market. One time revolving fund of Rs 2.50 crore @ Rs. 10 lakh per WSC for 25 WSCs is recommended for carrying out designing and sample production on pilot basis with the help of societies/master weavers.

7.5.9 Training of Trainer (Master Trainer) & EDP

Training of Trainers(TOT) programme for a period of 1 month in the WSCs is proposed to be conducted for the weavers and allied workers (Stipend @ Rs.200/- per day) so as to create a pool of Master Trainer as required for conducting all training programmes.

Secondly, Entrepreneurship Development Programme for a period of one month may be organized for the final year students of the Institutes so as to enable them to take up handloom activity as a business model. Each Institute may organize 2 programmes for 50 students during the month of May and June (after final exam) in association with local reputed management institutions. Rs. 1.00 crore is proposed for this purpose. Thirdly, in order to revive and popularize the languishing handloom crafts, one year training programme for the weavers has been recommended to be organised by related WSCs in the centre. An outlay of 3.60 crore has been recommended for this purpose.

7.5.10 Introduction of Degree Course

Introduction of four years Degree course in Handloom and Textile Technology has been recommended at IIHT Varanasi & Salem and Rs. 70.00 crore is proposed for the same.

7.5.11 Revival and Documentation of Languishing Handloom Crafts

This component with financial outlay of Rs. 17.50 crore for 12th Plan is proposed for revival and documentation of languishing handloom crafts.

7.5.12 Establishment of 5 Regional Textile Museums

Regional Textile Museum is to be attached with WSCs at Mumbai, Chennai, Kolkatta, Banaras and Guwahati for preservation, documentation and display of traditional crafts. An outlay of Rs.60.00 crore has been recommended for this purpose.

7.5.13 Innovative ideas like setting up of chair in University

This component will provide financial assistance for innovative ideas like setting up chair in University. The Group felt that handlooms should become the part of mainstream education system. It is proposed that selected universities in the areas of high concentration of handlooms may be approached for setting up chairs for handlooms for which financial assistance would be made available.

7.5.14 Collection of Statistics Data regarding Handloom Sector

Working Group has felt need for collection of Statistical Data regarding Handloom Sector at regular interval. This system will facilitate monitoring of Handloom Sector in terms of employment in earnings of handloom weavers. A sum of Rs.2.50 crore @ Rs.50.00 lakhs per year has been recommended for the said purpose.

7.5.15 Other Activities

i) Books and periodicals

The Working-Group recommended to build a 'Handloom Library' in each and every WSC and IIHT with latest publications of books, magazines, periodicals etc. to be used as reference by WSC/IIHT officials and the students/interested persons related to handloom sector. Provision of Rs. 5.75 crore has been recommended for this purpose.

ii) Visit to National and International exhibitions

It is observed by the Working-Group that due to paucity of funds under Domestic Travel Expenditure (DTE - Non Plan) it would not be possible to visit even national exhibitions. A sum of Rs. 2.20 crore has been worked out for visit to national and International exhibitions which is necessary to know-how the advancement of technology, changes in fashion and design trends of Textile Sector of different States/Countries.

ii) Workshop/Seminar

Under this component, financial outlay of Rs 0.50 Crore is proposed for organizing workshop/seminars by five Indian Institutes of Handloom Technology so as to build linkage with all institutions, manufacturers etc. and to disseminate updated technology & process to the sector.

iii) Market Research

This is a new mandate suggested by the Working Group to carry out market research work on Handloom product. This will help the WSCs to develop design & samples as per market demand so that there will be more acceptances of the services by the sector. Financial assistance of Rs. 1.00 crore for five years to carry out market research work on handloom products and disseminate the same to various manufacturing agencies like primary society, apex society, Handloom Corporation, master weavers etc. for their inputs required for demand-based production programme.

iv) Common web-site for WSC/IIHTs

Under this component, financial outlay of Rs.0.30 crore for five years is proposed for creation of common website of WSCs/IIHTs having complete information on all the activities which will help to reach out to the people very easily. This will help them to utilize the services rendered by WSCs/IIHTs more effectively.

v) Publicity/Annual show/awareness programme

Under this component, financial outlay of Rs 15.00 crore is proposed for 12th Plan for (i) organizing Annual exhibition by Zonal offices at least at 3 different places on regional specialization that are developed in the Centre. (ii) regular publicity in all local print media in vernacular language for publicity to avail the benefits from WSCs/IIHTs and (iii) to conduct Awareness Programmes for providing the awareness among the weavers about the services rendered by Weavers' Service Centres and various schemes implemented by Office of the Development Commissioner for Handlooms to avail the benefits.

7.6 Proposed Outlay during 12th Plan

A sum of Rs. 958.07 crore has been recommended for training, HRD and technical processes out of which Rs 352.50 crore required for skill development shall be met from Integrated Skill Development Scheme of Ministry of Textiles. The details are at **Annexure-19.**

CHAPTER – 8

SOCIAL WELFARE MEASURES AND ENVIRONMENTAL COMPLIANCE

8.1 PROGRESS OF WELFARE SCHEMES DURING 11th PLAN

During the 11th Plan, the Handloom Weavers' Comprehensive Welfare Scheme comprises of two components; namely – Health Insurance Scheme (HIS) and Mahatma Gandhi Bunkar Bima Yojana (MGBBY)

(A) HEALTH INSURANCE SCHEME

EXISTING BENEFITS UNDER THE SCHEME

The Health Insurance Scheme aims to provide weavers and ancillary workers comprehensive health care with a substantial provision for outpatient department (OPD) services. It is being implemented through ICICI Lombard. The annual cover per family is Rs.15000/- out of which Rs.7500/- has been kept for OPD. All pre-existing as well as new diseases and maternity benefits (per child for the first two), Dental treatment, Eye treatment, Spectacles, baby coverage etc. are covered under the scheme. The details of the benefits are given in Table 8.1.

Table 8.1

Benefits under Health Insurance Scheme

Annual limit per family	Rs. 15,000/-
Sub limits per family :	
All pre-existing Diseases + New Diseases	Rs. 15,000/-
Maternity Benefits (per child for the first two)	Rs. 2,500/-
Dental treatment	Rs. 250/-
Eye treatment	Rs. 75/-
Spectacles	Rs. 250/-
Domiciliary Hospitalization	Rs. 4,000/-
Ayurvedic/Unani/Homeopathic/Siddha	Rs. 4,000/-
Hospitalization (including pre and post)	Rs. 15,000/-
Baby coverage	Rs. 500/-
OPD	Rs. 7,500/-
Limit per illness	Rs. 7,500/-

Cashless treatment is provided through a network of 1791 empanelled hospitals and nursing homes and 870 OPDs in 26 States. A patient can get treatment in any one of the panel hospitals without actually having to pay bills. Over 536 Health camps & mobile camps have been conducted to provide medical checkups, diagnostic facilities and pharmacy services. The existing funding pattern of Health Insurance scheme is as per Table 8.2.

Table 8.2
EXISTING FUNDING PATTERN :

	Premium	GOI Share (80%)	State/Weaver Share* (20%)
Zone-I	Rs. 939.76	Rs. 769.36	Rs. 170.40
Zone-II (Including NER)	Rs. 770.99	Rs. 631.19	Rs. 139.80
(* Minimum contribution of Rs. 50/- to be borne by weaver)			

At present, the scheme is being implemented through a Service Provider namely, M/s. ICICI Lombard selected through a transparent bidding process. The Scheme is implemented in two Zones with their respective premium and corresponding GOI Share as given in the table above. The Evaluation of the Scheme is under process and is likely to be completed by December, 2011.

PHYSICAL PROGRESS OF THE SCHEME

Year-wise performance of the HIS Scheme during the 11th Five Year Plan is given in Table 8.3.

Table 8.3
Performance of Health Insurance Scheme during 11th Plan

Policy Period	No. of weavers covered
2007-08	17.74 lakh weavers
2008-09	18.78 lakh weavers
2009-10	16.11 lakh weavers
2010-11 (uptil July 2011)	07.06 lakh weavers

FINANCIAL PROGRESS OF THE SCHEME

During the 11th Plan, a sum of Rs. 459.99 crore has been released (upto June, 2011) for the Health Insurance Scheme for covering more than 70 lakh weavers (including renewals). This also includes the weavers to be enrolled during the policy period 2010-11 (i.e. upto 30th Nov. 2011).

Meanwhile, based on the feedback received from the State Government (Handlooms & Textiles) and the beneficiaries, the following initiatives have been incorporated for the policy periods 2010-11 & 2011-12 to address the immediate need for a better delivery of the Scheme:

- ❖ The Insurance Company should have its Cluster Coordinator/TPA/Office in three-fourth of 692 clusters of the country.
- ❖ Insurance Company has to establish tie-up with OPD/IPD for cashless facility in 90% of the handloom clusters in each State in each Zone.
- ❖ For settlement of reimbursement claims, the beneficiary has to submit a claim within 60 days from the end date of policy period and the Insurance Company shall settle such claims within 30 days from its date of receipt.
- ❖ In case of delay in settlement of claims Insurance Company will pay interest on pro rata basis on the amount @ which is 2% above the bank rates prevalent at the beginning of the financial year in the year in which the claim was received by it.
- ❖ Insurance Company will provide web based access, as far as possible, to data relating to enrollment, MIS reports, status of claims, balance amount left in his account.
- ❖ Statement of Treatment will be provided by the Insurance Company through the OPD/IPD concerned, on demand.
- ❖ Reimbursement claims can be submitted by the beneficiary through the Cluster Coordinator of Insurance Company/ TPA/ through RPAD or Courier.
- ❖ A Grievance Redressal Committee has been formed in all States having more than 5000 health card holders. This Committee constitutes of 3 members, will meet monthly to receive and settle complaints/grievances and to settle the complaints within 60 days of the complaint being filed. The cost of the above Committee will be borne by the Insurance Company.

PROBLEMS FACED IN IMPLEMENTATION

There were problems in the delivery mechanism of the Scheme and complaints were received regarding delay in claims' settlement; requirement of more OPD/IPD Centres for cashless treatment & requirement of sufficient number of Cluster Coordinators to receive the claims and/or distribute the claims disbursal cheques. All these issues have now been addressed in the new terms and conditions for the Policy periods (2010-11) and (2011-12).

The beneficiaries and the civil society representatives also have recommended for an enhancement in the value of insurance cover and transparency in the delivery mechanism.

(B) MAHATMA GANDHI BUNKAR BIMA YOJANA (LIFE INSURANCE SCHEME)

The Mahatma Gandhi Bunkar Bima Yojana is being implemented through the Life Insurance Corporation of India. This Scheme was introduced in the year 2005-06 and has been continued during the 11th Plan as one of the social welfare measures. The Scheme provides social security cover to handloom weavers in case of natural/accidental death or partial/total disability. The details of benefit of this scheme are given in Table 8.4.

Table 8.4

The Benefits of Mahatma Gandhi Bunkar Bima Yojna

S. No.	Details	Benefits during the X Plan	Benefits during the XI Plan (w.e.f. 1.10.2007)
(i)	Natural death	Rs.50,000/-	Rs.60,000/-
(ii)	On death due to accident.	Rs.80,000/-	Rs.1,50,000/-
(iii)	Permanent total disability due to accident.	Rs.50,000/-	Rs.1,50,000/-
(iv)	Partial disability	Rs.25,000/-	Rs.75,000/-

- In addition to life insurance, scholarship benefits of Rs.300/- per quarter per child are also available to children of enrolled weavers studying in standard IX to XII covered under the scheme.

The Physical progress of the scheme and its funding pattern has been given in Table 8.5 and Table 8.6.

Table 8.5
Physical Progress of Mahatma Gandhi Bunkar Bima Yojna during 11th Plan

Year	No. of weavers covered
2007-08	4.66 lakh weavers
2008-09	5.76 lakh weavers
2009-10	5.26 lakh weavers
2010-11	5.20 lakh weavers
Total	20.78 lakh weavers

Table 8.6
Funding Pattern of Mahatma Gandhi Bunkar Bima Yojna

Details	Annual rate of Premium per weaver (During 2007-2010)	Premium 2011-12
GOI contribution	Rs.150/-	Rs. 290/-
Weavers' contribution	Rs. 80/-	Rs. 80/-
LIC's contribution	Rs.100/-	Rs. 100/-
Total premium	Rs.330/-	Rs. 470/-

FINANCIAL PROGRESS OF THE SCHEME

During the 11th Plan and upto June, 2011 an amount of Rs. 31.33 crore has been released as GOI share for the coverage of 20.62 lakh weavers under the MGBBY Scheme.

PROBLEMS FACED IN IMPLEMENTATION

The Scheme is implemented through the Service Provider i.e. LIC of India which was selected on a nomination basis with the approval of CCEA during the 11th Plan. The coverage of weavers under the Life Insurance Scheme is very low vis-à-vis targets laid down in the Scheme by the CCEA.

8.2 RECOMMENDATIONS OF WORKING GROUP:

8.2.1 RECOMMENDATIONS FOR SOCIAL SECURITY AND WELFARE MEASURES

(A) HEALTH INSURANCE SCHEME

The recommendations of the Working Group are as follows:

- (i) The overall Health Insurance cover be enhanced to Rs. 50,000/- (from the existing Rs. 15,000/-).
- (ii) Out of which, the OPD cover worth Rs. 15,000/- be given (as against Rs. 7,500/- at present) in anticipation of increase in the cost of medicines in the coming years.
- (iii) A Biometric Card (Smart Card) should be used to avail the HIS benefits by the enrolled beneficiary. This card may be valid for five years so that it can be used for identification of beneficiaries and for availing the benefits under various Schemes of Office of DC (Handlooms). This card should be issued by the O/o DC (Handlooms) and should be independent of any Service Provider.
- (iv) The Health Card should carry a photograph of the card holder and his/her family members.
- (v) The sub limit for eye limit should be enhanced to Rs. 250/- from existing Rs.75/-.
- (vi) Mobile OPDs may be introduced to reach the remote interior villages where no medical facilities are available.
- (vii) OPDs should be located in weaver clusters having more than 300-500 weavers' population. State Governments will identify these areas and recommend list of such 'Clusters' to O/o DC(HL).
- (viii) It has also suggested to include a few serious ailments as "Critical Illness Care" if it does not increase the premium tremendously.
- (ix) The minimum contribution of the beneficiary should be limited to Rs. 20/- per family.
- (x) The new and renewal enrolments should be considered on need basis by the State concerned and should be based on the recommendations of the concerned State Government without any fixed percentage for renewals.

- (xi) The Members of the subgroup felt that the Scheme is beneficial, hence it should continue as an independent entity to cover both BPL as well as Non BPL beneficiaries during the 12th Plan also.
- (xii) The aged parents of the primary card holder may also be eligible to avail the benefits in case where there are less than 2 children in his/her family of four (1+3).
- (xiii) **SPECIAL BENEFITS**

All Members felt that the sharing of premium under this scheme should be further subsidized by GOI for the following Sectors as follows:

- | | | | |
|-------|---------------------|---|--|
| (i) | NER (including J&K) | - | 90:10 (GOI share : State/weavers' share) |
| (ii) | SC/ST | - | 90:10 (- do -) |
| (iii) | Senior Citizen | | |
| | (>60 years age) | - | 90:10 (- do -) |
| (iv) | Women Card Holder | - | 90:10 (- do -) |

It is estimated that the above proposals may entail a revision of premium to Rs. 1875/- p.a. out of which 80% is GoI share. Therefore, for coverage of 18 lakh weavers, Rs. 270 crore will be required annually and Rs. 1350.00 crores in five years.

(B) MGBBY SCHEME (LIFE INSURANCE)

The Working Group has recommended the following changes to enhance the reach and cover of the Scheme:

- 1) The overall benefits of the MGBBY Scheme may be enhanced as per Table 8.7.

Table 8.7
Proposed enhancement of benefits under MGBBY

Benefits	11 th Plan	12 th Plan
	Existing	New proposed
Natural Death	RS. 60,000/-	Rs. 1.00 lakh
Accidental Death	Rs. 1.50 lakh	Rs. 2.00 lakh
Total Disability	Rs. 1.50 lakh	Rs. 2.00 lakh
Partial Disability	Rs. 75,000	Rs. 1.00 lakh

- 2) The premium for enhanced cover as proposed above for age groups 18 to 59 years has been assessed to be Rs. 920/- per member per annum. Thus, 50 % GoI share of premium (@Rs. 460/- as against existing premium of Rs. 150/- out of 330/-) for 10 lakh weavers is 230 crore for five years.
- 3) The age limit for providing Life Insurance cover should be enhanced to uptil 70 years, as against 59 years as on date. However, if the coverage is to be given up to age 70 years, premium @ Rs 2629/- per member per annum the GoI share works out to a budget requirement of Rs. 394.00 crore for five years. The inclusion of an Endowment Policy, with a suitable Survival Benefit as an optional 'Add-on' benefit has been recommended. The additional premium on this account, if any, shall be borne by the beneficiary who chooses to opt for the same.
- 4) The Scholarships are a very good incentive in the Scheme. The Working Group recommended that the Scholarship amount may continue to be Rs.1200/- per child but should be available from Class-V onwards (instead of existing Class IX to XII at present). However, for senior school i.e. for Class IX to XII the Scholarship amount should be enhanced to Rs. 2500/- per child. The Scholarships should be paid by the Service Provider annually at the end of the academic year. LIC has advised that for an annual scholarship of Rs 1200/- per year from class V to class VIII for one child, for one lakh students Rs.2.17 crores will be required. For a scholarship of Rs. 2500/- per year for a child from class IX to class XII, Rs 1200/- will be paid from Social Security Fund as is being paid now and remaining to be paid by the Ministry of Textiles. This will require Rs. 65 crores in five years.
- 5) A lump sum amount of Rs. 10,000/- p.a. may be given to atleast 10 weavers' children studying in a five year degree Technical/Professional Course every year. This will require Rs. 5.00 lakh in five years. The identification of students and distribution of benefits should be done annually through the State Government.
- 6) Members of the Working Group also recommended that the coverage under the scheme needs to be enhanced substantially and for this more awareness about the Scheme has to be generated through special camps and localized publicity in weaver concentrated areas. An additional fund of Rs.50.00 lakh per year and Rs. 2.50 crore in five years will be required for Publicity and awareness campaign.

7) SPECIAL BENEFITS

Members of the Working Group have recommended that the sharing of premium under this Scheme should be further subsidized by GOI for the following Sectors as follows:

(i)	NER (including J&K)	-	90:10 (GOI share : State/weavers' share)
(ii)	SC/ST	-	90:10 (- do -)
(iii)	Women Card Holder	-	90:10 (- do -)

Out of 10 lakh weavers enrolled per year, if 30% beneficiaries fall in the above categories, then the financial requirement will be of Rs. 25.00 crore (approx.) in five years.

FINANCIAL IMPLICATION

The total fund requirement for the proposed recommendations will be Rs. 487.00 crores for five years.

(C) DISTRESS RELIEF FUND

The Working Group recommended to introduce a new Handloom Weavers Distress Relief Fund Scheme during the XIIth Plan to ameliorate the conditions of handloom weavers who are in economic distress or facing misfortune on account of calamities (including flood/fire/cyclones) or on account of committing suicides.

OBJECTIVE OF THE SCHEME

A new Fund for addressing the need of distressed weavers may be set up for weavers who are in economic distress or facing misfortune on account of calamities (including flood/fire/cyclones) or on account of committing suicides (as ex-gratia payment to the family). However, State Government should ensure that the Distress was solely on account of weaver related issues; the weaver was actively involved in weaving activities and that the suicide was not on account of financial distress due to other loans taken by him for other domestic/commercial activities.

BENEFITS OF THE SCHEME

In case of Natural Calamities, financial assistance of Rs.15,000/- may be given in case of damage to the loom; Rs. 25,000/- for work shed repair to the distressed weaver per family and Rs. 20,000/- for compensation of damage to raw material and as working capital to tide over the adverse circumstances. In case of suicide, a financial assistance of upto Rs.2.00 lakh may be given to the weaver's family on the basis of the State Government's report.

MODE OF IMPLEMENTATION

The concerning District Magistrate will get the reported case jointly enquired into by an Executive Magistrate and Police Officer and present a joint enquiry report and thereafter consider payment of ex-gratia to the immediate family of the concerned weavers. The DC (Handlooms) will place a revolving fund corpus with the State Government to enable immediate payment in case of such distress/suicide to the concerning weaver/family members and under intimation to DC (Handlooms). The District magistrate along with Assistant Director (Handlooms) will involve various departments of State Governments like Relief, Public Distribution, Health to meet needs of the weavers through the existing Schemes for medical aid etc. The families of suicide related cases will be eligible only for the ex-gratia benefit of Rs. 2.00 lakh; other handloom weavers in distress would be eligible for all other benefits except Ex-gratia grant to the family.

A Revolving Fund of Rs. 1.00 crore per year may be placed at the disposal of State Director (Handlooms) for providing immediate aid as the State Government and Director (Handlooms) will be involved in the implementation of the Scheme. NGO's may be roped in by the District Collector/Director (Handlooms) for providing immediate relief of these families. The incidence of distress of a handloom weaver (or his family member) will be reported by the District Collector/Assistant Director (Handlooms) to the Commissioner/Director in-charge of Handlooms in the State. The Commissioner/Director-in-charge of Handlooms in the State will immediately sanction and release the distress relief fund from the revolving corpus kept at their disposal by the O/o DC (Handlooms). They will

inform the details of such cases to the Office of the Development Commissioner for Handlooms from time to time for recouping the corpus fund kept for this purpose.

TIME FRAME FOR PROVIDING RELIEF

In order to provide early and timely help, relief under the scheme will be provided **within two weeks** for providing raw material, food, loom replacement or work shed etc. as the case may be. In case of suicides a lump sum amount of Rs. 20,000 will be paid immediately to the weaver's family without waiting for the full and final report of the State Government. The remaining amount out of ex-gratia grant of Rs.2 lakh will also be provided **within one month** of reporting to the State Government, to the immediate family of the weaver or his family member.

PUBLICITY

There is a need to widely publicize the reliefs and benefits being provided to ameliorate the condition of handloom weavers who are in economic distress. Focused publicity of the Handloom Weavers Distress Relief Fund Scheme will be done by the Office of the Development Commissioner/State Govts. in case of natural calamities occurring in their State (not for the benefits available in case of suicide cases). Publicity should be through newspapers in vernacular languages, printing and distribution of pamphlets/hand bills, posters, internet etc. in the calamity struck areas.

FINANCIAL IMPLICATION

The financial implication of this scheme is of Rs. 50.00 crores in five years. Annually, a corpus fund of Rs. 1.00 crore be placed with six major States having a weaver population of more than one lakh weavers (as per the Census 2009-10). The six States having more than one lakh weavers' households (as per Census 2009-10) are as follows:

Andhra Pradesh (1.76 lakh weavers); Assam (12.40 lakh weavers); Manipur (1.78 lakh weavers); Tamil Nadu (1.89 lakh weavers); Uttar Pradesh (1.10 lakh weavers); West Bengal (4.06 lakh weavers).

Besides this, the States of Karnataka, Orissa and Tripura have more than 20,000 weavers' household which are BPL + AAY Card holders. Therefore, a sum of Rs. 50/- lakh each may be kept as corpus with these three States also. The remaining Rs. 2.50 crore be kept for recouping the corpus and/or need base requirement, generated from the States.

(D) NEW PENSION SCHEME (PROPOSED)

OBJECTIVE OF THE SCHEME

Recognizing the need for providing Old Age Income Security to the Handloom weavers, who are the economically disadvantaged section of the society, it is recommended to provide Social Security of Pension to the Weavers over 60 years of age. It will also target and service the Old Age Savings needs of this low income workers. In his budget speech for 2010-11, Hon'ble Finance Minister had announced to set up a 'National Social Security Fund' for unorganized sector workers with an initial allocation of Rs.1,000 crore. This fund will support schemes for weavers, toddy tappers, rickshaw pullers, bidi workers etc.

Pension Fund Regulatory and Development Authority (PFRDA) has launched "NPS – Lite" which specifically targets the marginal investors and promotes small savings during their productive life. It aims at building up a corpus sufficient enough to buy an annuity for their old age. "NPS-Lite Model" is designed to ensure ultra-low administrative and transactional costs, so as to make such small investments viable on a "group" model. Each eligible group or "Aggregator" in NPS Lite model will be responsible for grass-root level enrolments, ongoing collection, and reconciliation and transfer of individual contributions as well as for ongoing services and information delivery.

The New Pension Scheme for handloom weavers is proposed to be implemented by the DC (Handlooms) in coordination with Pension Fund Regulatory and Development Authority (PFRDA) and the State Governments. The Ministry of Textiles proposes to utilize the funds from the National Social Security Fund for unorganized sector workers_for which the Ministry of Labour and Employment is the Nodal Ministry for distribution of funds. The benefits of Swavalamban Scheme announced by Government of India in the Union Budget 2010-11, which grants an incentive of Rs. 1,000 to all eligible NPS Accounts is proposed to

be converged with this Scheme. The *Swavalamban scheme* will be in operation for five years w.e.f 2010-11. Although there is no minimum annual contribution requirement for subscriber but to avail the benefits of the 'Swavalamban Scheme' a minimum of Rs.1000/- per year is recommended. The Old Age New Pension Scheme for Handloom Weavers shall be implemented through the Aggregator(s) appointed by PFRDA and through the State Government (Handloom & Textiles) Department in every State. The management and release of Pension Funds shall be the responsibility of PFRDA, through the Director (Handlooms & Textiles) of the State Government. The scheme will be regulated by PFRDA, with transparent investment norms and regular monitoring and performance review of fund managers by NPS Trust.

BENEFITS:

1. The scheme shall be open to all handloom weavers and ancillary workers in the age group of 18 to 60 years on the date of submission of his/ her application.
2. Premature exit from NPS before attaining the age of 60 is possible subject to the condition that 80% of the corpus will be annuitized to yield an annuity of Rs. 1000. In the alternative, if the corpus is not sufficient, 100% of the corpus will be annuitized to provide for an annuity.
3. In case of death of the subscriber, the entire money can be withdrawn by his heirs immediately, without annuitizing any portion of the corpus. The heirs of the subscriber also have the option to continue with the NPS account.
4. The GOI /PFRDA/ State Government may assure a minimum estimated return at par with EPF from the Pension fund (as Pension benefits) after attaining 60 years of age, subject to the conditions laid down by PFRDA. Under NPS, the average annualized returns till June, 2011 from Central Government is 9.80% and from State Government is 8.49%. While no assurance for returns is given by PFRDA, the average returns for the period upto June, 2011 is generally higher than PF returns.

TARGET COVERAGE

The scheme proposes to cover nearly 6 lakh weavers. A minimum contribution of Rs.1000/- per year per weaver is recommended. This can also be borne by the State Government with the prior willingness of the State. The Scheme will be implemented on priority in those

States which agree to be actively involved in identification of beneficiaries; monitoring of Aggregators; collection and transfer of funds and contribution of beneficiary/State share. 500 awareness programmes/camps for 500 weavers (per camp will be held to generate awareness about the Scheme in different parts of the country. PFRDA shall provide separate funds for conducting these Awareness Camps in each State or the State Government may choose to allocate funds for this purpose. The year wise break up of weavers to be covered under this has been given in Table 8.8.

Table 8.8
No.of weavers proposed to be covered under New Pension Scheme
for Handloom Weavers

Year	Total No. of Weavers proposed to be covered
Year One	1,00,000 New
Year Two	2,00,000 (1 lakh new + 1 lakh renewal)
Year Three	3,00,000 (1 lakh new + 2 lakh renewal)

FINANCIAL IMPLICATION

The proposed funding pattern for this scheme is given in Table 8.9.

Table 8.9
Proposed funding pattern for New Insurance Scheme

Contribution from the Nodal Agency i.e. O/o DC (HL), M/o Textiles	Rs. 1000/- * per beneficiary per year
Contribution from PFRDA under <i>Swavalamban Scheme</i>	Rs. 1000/- per beneficiary per year
Contribution from the beneficiary	Rs. 1000/- per beneficiary per year
*Funds received from the National Social Security Fund (NSSF); Ministry of Labor & Employment for Unorganized Sector Workers	

The total contribution is to be funded from the National Social Security Fund/Weaver beneficiary/*Swavalamban* Scheme. There shall be a requirement of **Rs. 60.00 crores** for enabling coverage of 6 lakh weavers (including renewals) @ Rs. 1,000/- contribution from NSSF through Ministry of Textiles. The equivalent contribution from PFRDA under *Swavalamban* Scheme @ Rs. 1000/- per beneficiary for 6 lakh weavers shall be additional Rs. 60 crores. The PFRDA shall contribute this amount directly into the CRA Trust Account or release it through the Ministry of Textiles, as the case may be. PFRDA shall also provide funds to the tune of Rs. 1.00 crore for 500 awareness camps for 500 weavers per camp. This will include cost of organization of camps; facilitation of filling and collection of enrolment forms on-the spot; publicity through brochures, catalogues in regional language and enabling any other infrastructure support required by the State Government machinery for this purpose.

8.2.2 ENVIRONMENTAL COMPLIANCE

PRESENT CONCERNS AND NEED FOR THE INTERVENTION

There are about 10,000 garment manufacturers and 2100 bleaching and dyeing industries in India. Many textile processing units and cottage dyeing units use a number of unclassified chemicals that are likely to be from Red list group which is said to be harmful and unhealthy. The process followed in textile industries for spinning of fiber to yarn, sizing to improve stiffness scouring and desizing to remove excess sizing materials, bleaching to remove pectin and wax from the yarn/fabric and coloring generates voluminous quantities of waste waters and in turn causes environmental degradation. The effluents consist of high concentrations of the dye stuff, biochemical oxygen demand (B.O.D) and dissolved solids. Over the last several years, water quality in urban areas and villages adjoining dyeing industrial areas has deteriorated owing to effluent inflow into land and water bodies. Unlike industrial units that come under the purview of the various pollution control measures, small scale informal units do not. Hence there is a large contribution of pollutants due to discharge of effluents into local water bodies and ground water contamination. Therefore, it is very essential to treat the dye liquor before discharging into the environment.

RECOMMENDATIONS

CONTROL ON DISPOSAL OF TOXIC EFFLUENTS

Interventions as part of the scheme should include strategies to mitigate water use and discharge of untreated wastewater to quantify environmental impact through identifying chemical used in the dyeing process; quantifying the use of water; reviewing existing effluent treatment plants; sampling and analysis of effluents and ground water to quantify pollution; reviewing the performance of the existing Effluent Treatment Plants; and exploring methods of mitigation at source as follows:

- a) Water consumption may be reduced by adopting latest dyeing techniques and encouraging reuse of dye liqueur for dyeing. Latest chemicals, machinery which dye at lower liquor ratios should be used to reduce pollution. Low toxic dyes and chemicals may be used in industries for better healthy environment of workers. Using eco-friendly dyes will also reduce the pollution. If possible reverse osmosis plants may be set up to recycle the polluted water to reduce the water consumption.
- b) It was proposed that the ETP should be made mandatory in Dyeing Units and suitable financial assistance be given for this by Ministry of Textiles.
- c) Proper waste management needs to be insisted upon and education and awareness be imparted to the weavers/ancillary workers. The Municipalities should be contacted to know about the ways and means of disposing of the hazardous waste. The enabling mechanism to install machinery for this purpose etc. can be promoted by the Ministry of Textiles.
- d) Small cost effective measures like providing suitable masks/gloves/ventilation measures for workers in the Dye Houses may be provided freely to the workers.
- e) Even though Azo Dyes are banned, being cheaper and easily available they continue to be used. Hence, efforts should be made to make Azo-free Dyes freely accessible and available through yarn depots of NHDC/WSC etc. as well as generate awareness about the harmful effects of these Dyes. 500 gm sachet should be sold through NHDC (under MGPS) at competitive rates. Hold Workshops with the help of

established standard Dye manufactures. These Workshops can be organized through NHDC/WSCs on a Pilot basis wherever the demand is substantial to start with.

EFFLUENT TREATMENT

The Working Group proposed that three Models of toxic effluent treatment/disposal should be considered on need-basis in the States, as follows:

- a) In the first model 10 Dye Houses and one ETP plant (of capacity of upto 25,000/- liters) may be set up. The cost of each project will be as per Table 8.10.

Table 8.10

Proposed cost of Dye Houses and ETP Plant in First Model

HEAD	GOI SHARE	COST PER UNIT	NO. OF UNITS	TOTAL COST
ETP	GOI shall bear 100% cost subsidy	ETP plant in a area of 10,000 sq. ft. with a capacity of upto 25,000/- liters would be Rs. 10 lakh.	ONE	Rs. <u>1.10 crore per year</u> (i.e. 10.00 lakh x10 dye house) + Rs. 10.00 lakh (per ETP or Rs. <u>05.50 crores in five years.</u>
Dye House	50% of cost of Dye House (i.e. Building & Machinery) to be subsidized by GOI.	Dye House would be Rs. 10 lakh each	TEN	
Land	There shall be no cost subsidy/share by GoI in land cost			

- b) The second model may be considered wherever there are large numbers of dye houses located in one place. A network of pipelines covering 10-20 dyeing houses (in a radius of 2-3 kms.) can collect dyeing/washing discharges through a network of PVC

pipelines from the Dye Houses upto the ETP and thereby curtail the pollution to a large extent. The cost of each project will be as per Table 8.11.

Table 8.11

Proposed cost of Dye Houses and ETP Plant during Second Model

HEAD	NO. OF UNITS	COST	GOI SHARE	Cost of this type of project
DYE HOUSE	TEN	@ 10.00 Lakh each	100% capital subsidy be given by GOI	<u>Rs. 2.05 crore per year</u> (10 Dye House @ 10 lakh each) +
PVC pipelines	A network of pipelines covering 10-20 dyeing houses (in a radius of 2-3 kms.)		the weaver beneficiary shall put their own pipelines of the prescribed specifications	5.00 lakh (PVC pipelines) + 10 ETP (@ 10.00 lakh each). <u>or</u>
Cost of laying down the PVC pipelines	---	Rs. 5.00 lakh each	Rs. 5.00 lakh wherein 100% capital subsidy be given by GOI.	<u>Rs. 10.25 crore in five years</u>
ETP	TEN	<u>@ 10.00</u> lakh each	100% capital subsidy be given by GOI	

The estimated cost of ETP (of capacity of 25,000/-liters per day) will be around Rs. 10.00 lakh to be borne entirely (100%) by GOI. The estimated cost is given in Table 8.12.

Table 8.12
Estimated cost of ETP

Sl. No	Item	Cost
1.	Civil works	3.0 – 4.0 lakh
2.	Material & Machinery	2.0 – 3.0 lakh
3.	Design & Drawing	1.0 lakh
4.	General arrangements & supervision during erection & construction	1.0 lakh
5.	Committee of Experts for Technology Selection	1.0 lakh
6.	Other expenses includes labor & etc	1.0 lakh
7.	Recurring expenses	About 10 -15 thousands per month
	Total:	10 -12 Lakh

The Working Group recommended that:

- (a) The ETP may be maintained in PPP mode by the State Government and/or any SHG/Consortium or Individual beneficiary who has contributed in the installation cost of ETP. However, the services of the ETP shall be made available to all weavers/ancillary workers in the region on the basis of user charges. This will ensure sustainability.
- (b) The cost of installation of ETP should also include suitable provision for a Committee of Experts to be consulted from time to time to enable appropriate technology selection and updating.

- (c) The third model may comprise of dye house effluent collection by selected Vendors. These vendors should enter into an agreement with the local dye houses and collect periodically the accumulated effluents and hazardous chemicals and dispose them off systematically and scientifically. The Dye Houses' effluent collection through vendors will be done by State Pollution Control Board who will select the Vendors. The Vendors will enter upon an agreement with the Dye Houses (the cost to be borne by the Dye House) then the Vendors will collect the effluents regularly and dispose it off. However, the Vendors should be located near the clusters.

A total requirement for 10 projects at a cost of Rs. 10 crore per year will be Rs. 100.00 crores for five years.

8.2.3 OCCUPATIONAL HEALTH AND SAFETY ISSUES

There are significant adverse health impacts of handloom production on weavers including pulmonary problems, eye problems, muscle tone deterioration and body pains. Handloom production is primarily home-based work or work in small-scale units that have common weaving facilities, which do not come under any laws or guidelines relating to occupational safety. There is a complete lack of awareness amongst the weaver community and amongst weaver-entrepreneurs about basic issues - such as proper lighting, for example - which is resulting in adverse health impacts and miscellaneous health problems.

(A) Occupational Health and Safety Issues

Based on a research study, the All India Artisans and Craft Workers Welfare Association (AIACA) recommended that occupational health and safety issues should be made a part of existing schemes. AIACA proposed the following recommendations:

1. Diagnostic studies should be undertaken to cover a section on health impacts, and interventions as part of the scheme and include strategies to mitigate such harmful impact, including awareness campaigns; support for retrofitting of work-sheds with proper lighting and ventilation; and distribution of low-cost safety equipment kits and Exhaust Systems which provide proper ventilation in group work spaces.

2. Support to conduct more research to identify and quantify health impacts in selected handloom clusters. The Office of the Development Commissioner(Handlooms) to commission studies into selected handloom clusters to identify and quantify adverse health impacts and to develop appropriate solutions. The estimated cost will be as per Table 8.13 .

Table 8.13

Estimated Research and Travel cost for diagnostic studies

Researcher cost	150 days @ Rs. 7,500/- per day	Rs. 11.25 lakh
Travel to clusters	10 visits @ Rs. 25,000/- each	Rs. 2.50 lakh
Total		Rs. 13.75 lakh

3. A pilot scheme to raise awareness about Occupation Health and Safety Issues and distribute safety manuals with information on solutions and kits in selected clusters can be initiated. The cost of development of a graphic or photograph based occupational health and safety manual for dissemination in clusters are given in Table 8.14 and Table 8.15.

Table 8.14

Estimated Cost of Health and Safety manuals

	Unit		Total Cost
Development and printing of safety manual	Per copy	10,000 copies @ Rs. 50/- each	Rs. 5.00 lakh
Design Cost	Man days	20 days @ Rs. 5,000/- each	Rs. 1.00 lakh
Dissemination Workshops	Per Workshop	15 Workshops @ 15,000/- each	Rs. 2.25 lakh
Total			Rs. 8.25 lakh per cluster

Table 8.15

Safety Equipment Prototype Development and Testing

Production of a Prototype Kit	50 kits @ Rs. 5,000/- each	Rs. 2.50 lakh
Consultant cost	150 @ Rs. 5,000/- each	Rs. 7.50 lakh
Travel to Clusters and dissemination and review	5 visit @ Rs. 25,000/- each	Rs. 1.25 lakh
Total Cost		Rs. 11.25 lakh

4. Awareness camps can be held in the selected clusters whereby weavers are given a one-time health check-up and handed over the safety manual and safety kit on production of a valid weaver's identification card. The local Weavers' Service Centers can then be tasked with distributing safety kits to weavers from the selected clusters that might have been missed out in the awareness camps.
5. An amount of Rs. 5.00 crore for five year requirement may be allocated for this.

6. **SOLAR LIGHTING SYSTEM**

Due to inadequate natural lighting in worksheds during the day and for artificial lighting for working at night, solar lights are not only environment friendly but are also a cheaper option. This will reduce/prevent eyestrain and enable work during day as well as night.

At present the following State Govts. are providing assistance from their own resources as per Table 8.16.

Table 8.16

Assistance for Solar lighting system by the State Govts.

STATE MADHYA PRADESH	Rs. 12,571/-* ONE UNIT OF 18 WATTS	*Includes cost of transportation, insurance, installation, commissioning & 5 years AMC by MRNER
KARNATAKA	Rs. 12,500/- (12 volts, 2 CFL + FAN) ONE UNIT OF 18 WATTS	90% GOI/SG 10% Beneficiary
UTTAR PRADESH	Solar lanterns Rs. 2690 for 10 volt module; 12 volt battery; 7 volt CFL	Five years warranty included

Solar powered system need to be provided at subsidized cost for the housing units or work sheds of weavers. The Ministry of New and Renewable Energy (MNRE) has been consulted to enable this and to subsidize the cost. On discussion with Dr. Ahmar Raza, Divisional Head, Solar Photo Voltaic Systems in the Ministry of New and Renewable Energy (MNRE) it is informed that the cost of Solar Powered System is Rs. 270/- per watt. Out of this, the MNRE bears Rs. 81/- (30%) of the cost per watt. MNRE is already implementing similar projects in the States of Karnataka, UP and Madhya Pradesh through their regional units. In view of this, the GOI and State Government may consider providing a uniform module of 18 watt and one CFL luminary of 07 watt per weaver household.

FINANCIAL IMPLICATION

MOT can consider, in tandem with MNER & State Govts., the above cited module for handloom weaver clusters with cost sharing in the ratio of 45% (GOI); 30 % (MNRE) & 25 % (State Govt./Beneficiary) for the 18 watt module. For the CFL, the 75% cost (i.e. Rs. 1417.50) be borne/subsidized by GOI and 25% be borne by the beneficiary. The need based assessment may be made by all States. State Government may prepare proposals for Weavers' Clusters after identifying the beneficiaries and inform Ministry of Textiles/DC (HL) about their requirements. Therefore the total GoI share in the cost of the 18 watt module (45%) + 07 watt CFL (75%) will be Rs. 3604.50 (Rs. 2187/- + Rs. 1417.50). An amount of Rs. 36.00 crore for five years may be allocated to enable solar lighting for 100000 beneficiaries .

(B) LOOM IMPROVEMENT & BETTER ERGONOMICS

A detailed analysis of the production process for handlooms show a direct impact on health of the weaver i.e. Body pain; pulmonary problems; chronic bronchitis; decrease in hand-grip strength with 94% of weavers with 10-30 years of work experience reporting pain in the knee, back, and neck. Eyesight problem is also a serious problem amongst weavers. This is directly connected to the nature of weaving which involves continuous and repetitive movement.

To mitigate such harmful impact and to increase production, suggestions of Technical Resource Persons (TRPs) engaged by MOT i.e. (O/o DC(HL) and WSCs for loom improvement and better ergonomics to reduce the drudgery of the handloom weaver are as follows :-

PRE LOOM

- a) Provide low cost devices like **cycle wheel charkha** for yarn winding @ Rs. 1500/- each and **Motor driven mechanical winding machines** for winding yarn from hank to bobbins. The cost of such a winding machine is Rs. 3000/- each.
- b) An amount of Rs.45.00 lakh per year (2.5 crore in five years) may be allocated to enable these for 1000 beneficiaries per year.
- c) The absence of a competitive technology option for small-scale spinning has been a major impediment to rational end-to-end integration of the industry. The **micro-spinning equipment** proposes to leverage the strengths of diversity and flexible specialization traditional to India, to deliver targeted offerings to different market segments. The non-invasive handling of cotton fibers in micro-spinning makes the cloth with a distinctive appeal and superior drape and fall. The cost of conventional mill machinery is Rs. 12,000/spindle, out of which pre spinning machines account for Rs. 9,000/spindle. Pre-spinning machines are comparable to the capacity of a 400-spindle mill and those with special designing can cost upto Rs. 24 lakh. However, the above cited targeted design effort requires a one-time cost of Rs. 2.00 crore. This proposal may be considered under the Technology Up gradation Fund (TUF) Scheme.

ON LOOM

- d) **Pneumatic jacquards be used** so that the weaver could weave continuously without any strain which improves his efficiency considerably resulting in increased production. The new Pneumatic principle of operation, replaces the operation of jacquard by leg. The weaver has to simply press the pedal by which the air pump gets operated by compressor and lift the jacquard lever through rope connections. Hence the weaver weaves continuously without any strain which improves his efficiency considerably resulting in increased production. The cost of one pneumatic jacquard is Rs. 25,000/- for a single loom (with compressor and piston) and Rs. 50,000/- for 04

looms. An amount of Rs.1.00 crore per year (50 crores in five years) may be allocated to enable these for 10000 beneficiaries per year.

- e) **The new worm wheel let off motion can replace the rope coil let off motion.**
At present, Rope coil let off motion is used to let the warp loose every time after weaving 4 to 5 inches of cloth. After the take up of cloth, adjusting the excess or lesser length of warp let off by the rope to keep the tension of warp, takes lot of time. In the new worm wheel let off motion the worm attached to the warp roller is conveniently operated by the handle kept near the weaver. After taking the cloth, adjusting the excess or lesser length of warp is done by simply rotating the handle either clockwise or anti clockwise very quickly to adjust the tension of the warp sheet. This results in saving time and in turn increases the overall productivity. The cost of one set is Rs. 2000/- each.
- f) **Multiple shuttle box motion on frame/pit looms** to weave multi patterns at a unit cost of Rs. 1500/- to 2000/-;
- g) **Use of 3 wheel/ 5 wheel/ Y wheel take up motion and let off motion** device for weaving long length plain fabric. The cost of each such unit is Rs. 2000/- per set.

For providing accessories worth Rs. 6000/- to one lakh weavers per year, the requirement will be of Rs. 60 crore and over five years it will require Rs.300 crore.

POST LOOM

To increase the marketability of the finished products –

- a) Washing and calendaring machines @ Rs. 1.50 lakh and Rs. 2.50 lakh (respectively) to be provided in the clusters;
- b) Small jiggers (60”) @ Rs. 1.50 lakh each for cloth dyeing are recommended to be made available near the weaving units or in the CFCs for easy access by the weavers.
- c) At least 200 clusters may be provided with these and a fund allocation of Rs. 1.50 crore may be allocated for these interventions.

All the above basic inputs components may be considered as basic inputs components under the IHDS proposed for the 12th Plan and the cost subsidy from GOI and State Government

shall be on the pattern of the IHDS Scheme. The beneficiary cost sharing shall also follow the same pattern. Hence these recommendations requiring Rs. 350 crore in five years may be considered by the Sub-group deliberating on this aspect.

8.3 HANDLOOMS (RESERVATION OF ARTICLES FOR PRODUCTION) ACT, 1985

The Handlooms (Reservation of Articles for Production) Act, 1985 dated 29.3.1985 was enacted by Govt. of India with a view to protect the livelihood of millions of Handloom weavers and protection of the rich cultural heritage of Indian Handloom industry from encroachment of the powerloom and Mill Sector. Under the Act initially **22 textile articles** were reserved for exclusive production by Handlooms vide S.O. 459 (E) dated 04.08.1986. Subsequently based on the recommendations of the Advisory Committee, these were reduced to **11 articles** vide Reservation Order Notification No. S.O. 557(E) dated 26.7.96 (further amended vide notification No. S.O. 2160 (E) dated 03.09.2008 with elaborate definitions)

List of 11 Textile Articles currently Reserved under Handloom Reservation Order

- 1) Saree,
- 2) Dhoti,
- 3) Towel, *Gamcha* and *Angavastram*,
- 4) Lungi,
- 5) *Khes*, Bedsheet, Bedcover, Counterpane, Furnishing (Incl. tapestry, upholstery),
- 6) *Jamakkalam* Durry or Durret
- 7) Dress Material,
- 8) Barrack Blankets, *Kambal* or *Kamblies*,
- 9) Shawl, *Loi* Muffler, *Pankhi* etc.,
- 10) Woollen Tweed,
- 11) *Chaddar*, *Mekhala*/*Phanek*.

- (A) (i) The Physical Progress of Powerloom Inspections is as per Table 8.17.

Table 8.17
PHYSICAL PROGRESS OF POWERLOOM INSPECTIONS

S. No	Year	POWERLOOM INSPECTIONS CONDUCTED BY IMPLEMENTING AGENCIES					
		Enforcement Wing		State Governments		Weavers Service Centers	
		Target	Achieved	Target	Achieved	Target	Achieved
1.	2007-08	42,840	43,678	1,53,200	1,88,634	13,250	17,150
2.	2008-09	44,125	49,183	1,57,799	1,71,013	13,651	16,845
3	2009-10	49,200	50,633	1,62,600	1,80,983	17,240	20,342
4.	2010-11	51,660	51,918	1,82,334	1,91,051	18,109	19,387

- (ii) The Central assistance released to State Governments for Enforcement work is given in Table 8.18.

Table 8.18
CENTRAL ASSISTANCE RELEASED TO STATE GOVERNMENTS FOR ENFORCEMENT WORK

Sl. No.	State Government	Years (Rs. In lakh)			
		2007-08	2008-09	2009-10	2010-11
1.	Andhra Pradesh	71.90	17.72	96.27	35.31
2.	West Bengal	11.58	11.40	7.89	27.98
3.	Gujarat	-	56.70	57.82	23.84
4.	Rajasthan	-	28.74	26.06	13.03
5.	Madhya Pradesh	-	11.73	13.08	8.24
6.	Haryana	28.00	-	16.10	13.78
7.	Tamil Nadu	38.52	23.71	132.78	142.33
8.	Uttar Pradesh	-	-	-	28.98
9.	Kerala	-	-	-	56.51
Total Exp.		150.00	150.00	350.00	350.00

**(B) RECOMMENDATIONS IN RESPECT OF HANDLOOMS
(RESERVATION OF ARTICLES FOR PRODUCTION) ACT, 1985:**

The following are the recommendations of the Committee in respect of enforcement of Handlooms (Reservation of Articles for Production) Act, 1985:-

1. Zonal offices should be established in 10 major handloom states:

The Working Group recommended for setting up of Central Enforcement Offices in Major handloom States to implement the provisions of the Handlooms (Reservation of Article for Production) Act 1985. The approximate expenditure for establishing Zonal Offices in 10 Major Handloom States will be @ Rs. 20 lakh per office with a total expenditure of Rs. 2.00 crore per year. This will be in addition to the current funds of Rs. 3.50 allocated for implementation of the HRAP Act.

2. Need to increase present penalty for violation

The current penalty provision under the HRAP Act is merely Rs.5000/- which does not prove to be a deterrent for the violators. Therefore, based on the precedence contained in the similar Acts, the fine and penalty under the Handlooms (Reservation of Articles for Production) Act, 1985 may also be enhanced to be at par with the other Acts namely Indian Trade Marks Act, 1999. This Act envisages penalty for applying false/fake marks or trade description of goods with an intent to mislead, where the offender is liable for penalty and punishment of imprisonment of not less than six months but which may extend up to three years and with a fine not less than fifty thousand rupees but which may extend up to two lakh rupees.

3. Power of implementation of Handloom Mark Scheme and notification as “Authorized Officers” under Handlooms (Reservation of Articles for Production) Act.

This Scheme is presently being implemented by O/o D. C. (HL) through the Textiles Committee. In order to ensure that the Handloom Mark labels are being used on Handloom Cloth only, the Enforcement Officers may be authorized by way of making provision under the scheme itself to take cognizance in case of any default/misuse or violation of Handloom Mark Scheme etc.

4. Separate National Accredited Testing Laboratory:

Weavers Service Centre, Delhi under O/o D. C. Handlooms is one of the notified Testing Laboratories for testing and certifying the Loom of Origin of the seized fabrics as the other laboratories are not able to give conclusive reports. Therefore, the Laboratory at WSC, Delhi may be strengthened to conduct the following:-

- (a) A separate fund provision to the tune of Rs. 50 Lakh may be kept for R& D activities to develop devices to testing of samples and for developing new techniques to prove the loom of origin. We may also seek technical advice from specialized Research Associations and/or in PPP mode to enable generation of conclusive test reports for distinction of origin (i.e. whether produced on the Handlooms/Power loom) which can then form an admissible evidence in the Court of Law to enable registration of FIRs for violation of the Handlooms (Reservation of Articles for Production) Act.
- (b) Engagement of Technical Resource persons and Consultants having specialized knowledge and experience with technical staff in these accredited Laboratory on deputation basis. Separate funds to the tune of Rs. 50 Lakh may be kept for this purpose.

- 5. Shri Mohan Rao, Member, raised the issue that embroidery work also comes under the purview of the Reservation as per provision of the Act. It was explained that surface embellishment/value addition cannot be considered as a handloom weaving activity. However, Committee proposed that to examine any ambiguity in the definition of the reserved articles a Committee of Experts with technical expertise may be constituted to conduct an in-depth study and to advise and review the existing definitions wherever required . The total cost of these interventions may require an additional budget allocation of Rs. 03.00 crores (one time) from the Non Plan allocations.

The total cost of all these interventions proposed by the Working Group may require a budget allocation of Rs. 2438.00 crore for five years from the Plan budget and Rs. 6.00 crores from the Non Plan allocations.

8.4 The financial implication of recommendations is given in Table 8.19.

Table 8.19

Financial Implication on Social Welfare Measures and Environmental Compliance

Sl. No.	RECOMMENDATIONS	FINANCIAL IMPLICATION (for five years)
1.	Health Insurance Scheme	Rs.1350.00 crore
2.	Mahatma Gandhi Bunkar Bima Yojana	Rs.487.00 crore
3.	Distress Relief Fund	Rs.50.00 crore
4.	New Pension Scheme	Rs.60.00 crore (From NSSF Funds)
5.	Environmental Compliance	Rs.100/- crore
6.	Occupational Health and Safety Issues	Rs. 05.00 crore
7.	Solar Lighting System	Rs.36.00 crore
8.	Loom improvement & better ergonomics	Rs.350.00 crore To be considered by the concerned Sub Group
9.	Handlooms (Reservation of Articles for Production) Act, 1985 :	Rs. 6.00 crore (NON PLAN)
10.	TOTAL (estimated) requirement : Rs. 2028 crore * (* Sl. Nos. 4, 8 and 9 not included as they may be considered from respective allocations as indicated against each)	

CHAPTER 9

NORTH EASTERN REGION

9.1 INTRODUCTION:

PROFILE OF HANDLOOM WEAVERS IN NER

As per the latest Census (2009-10) in North East, 90% of the handloom worker households are weaver households. In contrast to the national trend, the North Eastern States recorded an increase in the number of weavers' households from 14.6 lakh weavers' households (in 1995) to 15.10 lakh weavers' households (Census 2009-10). A large majority of looms in the North Eastern States are engaged in domestic production (62%) and a relatively less proportion is into mixed production (34%). This is primarily because handloom weaving is part of the culture across all social groups but rural households have a good part of domestic fabric requirements produced within the house. However, 52% households produce less than one meter of fabric per weaver per day. A graphic representation of the profile of Handloom weavers' population in NER alongwith the fund utilized in NER during 11th Plan are given in from Table 9.1 to Table 9.7.

Table 9.1

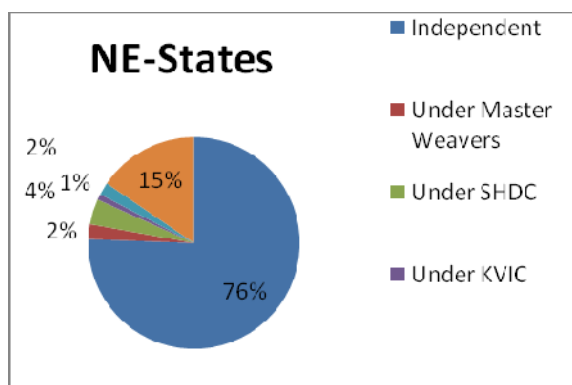


Table 9.2

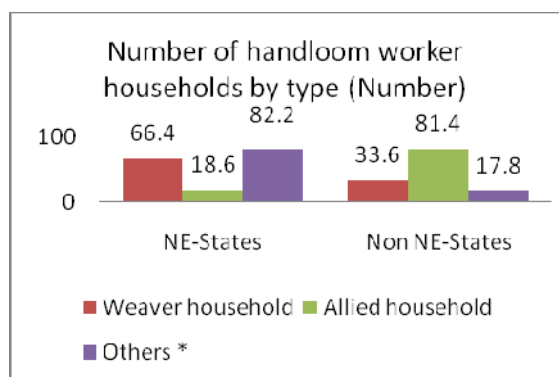


Table 9.3

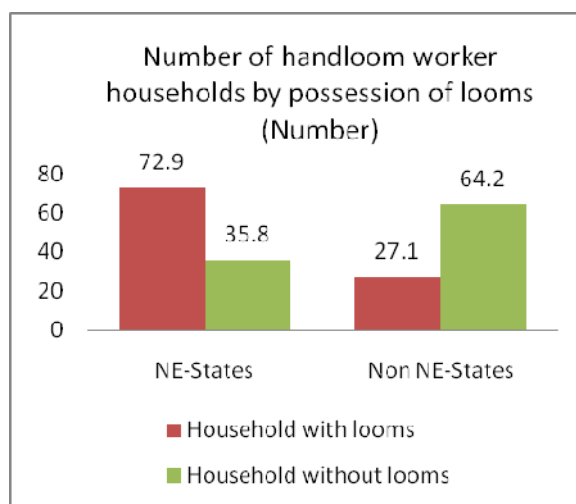


Table 9.4

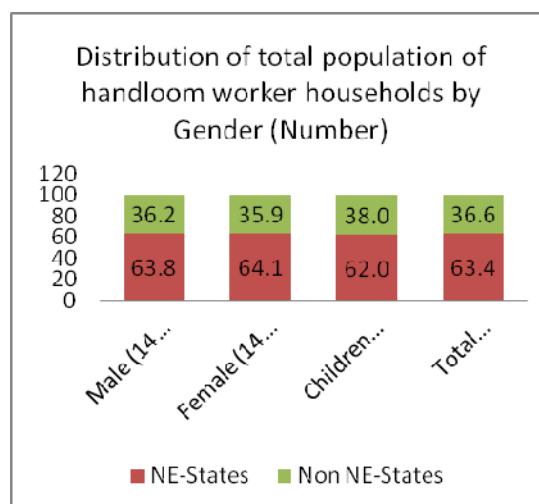


Table 9.5

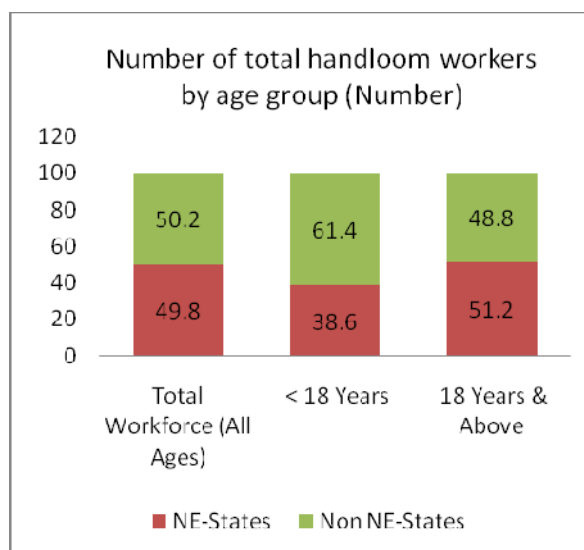


Table 9.6

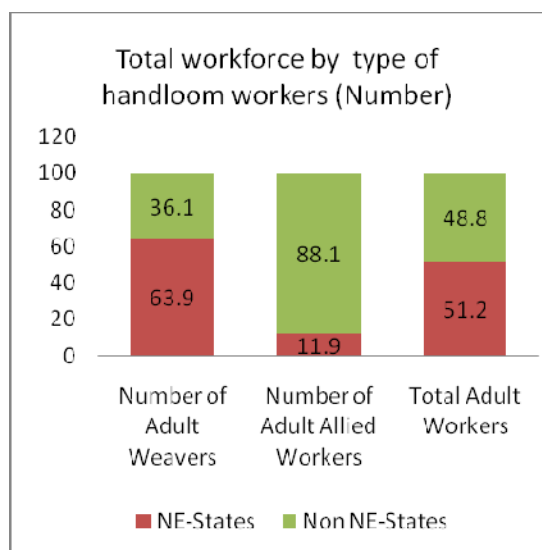


Table 9.7**FUND UTILISATION IN HANDLOOM SECTOR IN NER**

	2007-08		2008-09		2009-10		2010-11	
SCHEME	GS	NER	GS	NER	GS	NER	GS	NER
Integrated Handloom Development Scheme	90.80	19.70	94.98	14.00	92.82	22.75	150.33	17.67
Marketing & Export Promotion Scheme	20.42	3.00	39.93	5.07	40.00	9.60	45.99	12.60
Handloom Weavers Comprehensive Welfare Scheme	86.68	39.41	80.00	44.87	79.90	39.90	102.95	13.19
Mill Gate Price Scheme	23.50	0.00	29.59	0.00	30.60	0.00	65.00	0.00
Diversified Handloom Development Scheme	9.07	0.00	10.15	5.85	8.97	4.75	13.92	3.86
	230.47	62.11	254.65	69.79	252.29	77.00	378.19	47.32

Ministry of Textiles earmarked substantial funds out of the total sub-sectoral outlays (vis-à-vis the total budget outlay) for Handloom schemes in the North East as given in Table 9.8.

Table 9.8**BUDGET ALLOCATION FOR NER DURING 2011-12**

2011-12		
Schemes	GS	NER
Integrated Handloom Development Scheme	129.70	35.00
Marketing & Export Promotion Scheme	45.60	10.00
Handloom Weavers Comprehensive Welfare Scheme	125.00	35.00
Mill Gate Price Scheme	55.60	0.00
Diversified Handloom Development Scheme	24.10	0.00
Total	380.00	80.00

9.2 PROGRESS OF SCHEMES IN NER DURING 11th PLAN

(a) **Integrated Handloom Development Scheme (IHDS) :**

The Number of Clusters & Group Approach Projects sanctioned by GOI and funds released under IHDS in North Eastern Region are given in Table 9.9.

Table 9.9
Allocation of Project and releases of funds under IHDS

(Rs.in lakh)							
Sl. No.	Name of the State	Period (2007-08 to 2010-11)			Period (2008-09 to 2010-11)		
		No. of Clusters sanctioned	Amount Released	Total Benf. Covered	No. of Groups Sanctioned	Amount Released	Total Benf. Covered
1	Arunachal Pradesh	15	339.28	12300	45	352.95	1450
2	Assam	27	655.15	8230	61	256.00	1202
3	Manipur	39	1136.68	18989	0	0	0
4	Meghalaya	7	297.71	3627	31	423.16	2431
5	Mizoram	2	31.23	696	36	255.96	1187
6	Nagaland	29	1047.90	13300	31	638.91	2500
7	Sikkim	0	0	0	30	84.06	630
8	Tripura	25	346.80	10792	59	264.00	1165
	Total	144	3854.73	67934	293	2275.05	10565

MEGA CLUSTER IN NER

(i) Sivasagar Mega Handloom Cluster in Assam

Sivasagar Mega Handloom Cluster is being developed under Comprehensive Handloom Cluster Development Scheme (CHCDS) to cover atleast 25,000 handlooms. The Cluster will

be developed in a time frame of 5 years at an upper GOI share of Rs.70.00 crore. Under the scheme, Cluster Development Programme will be implemented in a PPP Mode. M/s Entrepreneurship Development Institute of India (EDI), Ahmedabad has been appointed as Cluster Management and Technical Agency (CMTA) for the Cluster.

The projects sanctioned in March 2011 for implementation in the Sivasagar Mega Handloom Cluster to carry out multiple activities are given in Table 9.10.

Table 9.10
Implementation of Sivasagar Mega Handloom Cluster

(Rs. In crore)

Sl. No	Name of the SPV	Name of the Project	Total Project Cost	Central share	Amount released as 1st instalment
1.	M/s Srishti Handloom Ltd, Sivasagar	Setting up of 05 Common Facility Centre (CFC) with Dye House	Rs.21.29	Rs.17.34	Rs.2.60
2.	M/s Rangpur Wild Silk Fabrics Co. Ltd., Sivasagar	Setting up of 01 Common Facility Centre (CFC) with CAD and Dye House	Rs.8.92	Rs.7.27	Rs.1.09 crore

CLUSTERS UNDER 20 PILOT PROJECTS IN NER :

Out of 20 Pilot Projects identified from all over the country under IHCDs during 2006-07, two clusters were located in NER i.e. Bijoynagar (Assam) and Imphal (Manipur).

(i) BIJOYNAGAR HANDLOOM CLUSTER **CLUSTER HIGHLIGHTS**

The Cluster covers more than 4,000 handloom weavers of Assam and Rs. 178.10 lakh has been released for the cluster upto date. Total cumulative sales upto April 2011 is of Rs. 91.60 lakh. [Rs.55.50 lakh through Exhibitions and BSMs & Rs.36.10 lakh from other buyers]. 123 new Designs have been developed so far. 215 SHGs formed covering 1521

weavers. Their bank account opened and Rs.414.00 lakh credit received. Rs.54.60 lakh worth yarn supplied to 4200 weavers, completing 11 cycles. The CFC is presently used for sample development, product development & Training. CFC is also used for making the products as per the order being received by the consortium. At present in the CFC, there are 12 looms in working condition; 12 nos. jacquard machine; 2 nos. warping drums, 2 nos. Muga reeling & twisting machine, 01 Re-reeling machine, 1 Eri spinning machine & 06 Cycle Frame Charkas to assist the weavers at the CFC. Dye House is also Functional. Average 30 to 40 kgs of Eri & Cotton yarn is dyed here every month. More emphasis has been put on the training of natural dye for the beneficiaries of cluster.

(ii) IMPHAL HANDLOOM CLUSTER IN MANIPUR
CLUSTER HIGHLIGHTS FROM –APRIL, 2011

An Amount of Rs. 176.00 lakh released to the Cluster as GOI share. The Cumulative total sales are of Rs.115.85 lakh. [Rs.106.77 lakh by Exhibitions and BSMs; Rs.8.81 lakh by other buyers & Rs.0.27 lakh from Handloom House]. 182 new Designs developed so far. 152 samples also developed of 104 new designs. 199 SHGs have been formed covering 2780 weavers and bank account opened to provide credit linkage of Rs.31.80 lakh. Rs.125.00 lakh worth yarn supplied, completing 25 cycles to 2980 weavers. The CFC was inaugurated in August, 09 and installation of Machineries & Looms completed. Similarly, the Dye House was inaugurated in August, 09 and Machineries & Looms installed.

(b) **Marketing & Export Promotion Scheme (MEPS) :**

The GOI sanctioned a number of events to NER under MEPS which are given in Table 9.11.

Table 9.11**No. of Marketing Events sanctioned under MEPS to NE Region**

Sl N.	Name of State	2007-08			2008-09			2009-10			2010-11		
		NHEs	SHEs	DLEs	NHEs	SHEs	DLEs	NHEs	SHEs	DLEs	NHEs	SHEs	DLEs
1.	2.	3.	4.	5	6	7	8	9	10	11	12	13	14
1	Arunachal Pradesh	-	-	03	-	-	02	-	-	01	-	-	06
2	Assam	02	07	27	02	13	30	05	22	49	07	18	57
3	Manipur	-	01	01	-	04	05	-	05	05	-	03	10
4	Meghalaya	-	01	03	-	-	07	-	01	04	-	02	05
5	Mizoram	-	02	08	-	02	10	-	-	07	-	03	10
6	Nagaland	01	03	19	04	10	20	06	15	36	06	04	40
7	Sikkim	-	-	02	-	-	02	-	-	03	-	01	03
8	Tripura	-	-	-	-	01	04	-	-	09	01	04	131

NHEs–National Handloom Expos, SHEs–Special Handloom Expos, DLEs–District Level Events.

(c) Special benefits for NER under Mill Gate Price Scheme

As per Mill Gate Price Scheme, transport subsidy for NER is 3% (for other than silk and jute yarn) while it is 1.5% for silk yarn and 8.5% for jute yarn. However, NHDC reimburses actual cost of transportation, which is over and above the admissible rate for NE Region supplies. The details of yarn supplies and transport subsidy under Mill Gate Price Scheme for NER are given in Table 9.12 and Table 9.13.

Table 9.12**Supply of Yarn under MGPS for NE Region**

Quantity in lakh kg. / Value in Rs. Lakh

Name of the State	2007-08		2008-09		2009-10		2010-11		No. of Yarn Depots
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	
Arunachal Pradesh	0.076	16.43	0.056	12.84	0.119	26.14	0.06	18.26	11
Assam	0.498	124.01	0.506	196.13	1.103	351.45	1.342	763.55	36
Manipur	0.317	72.33	0.468	112.87	0.546	163.73	0.487	180.3	22
Meghalaya	0.048	25.63	0.114	32.23	0.035	14.57	0.052	20.98	4
Mizoram	0.723	159.94	0.708	162.93	0.991	231.33	0.932	267.45	6
Nagaland	0.07	13.12	0.079	16.63	0.081	19.15	0.053	15.45	9
Tripura	0.865	103.63	0.513	99.14	0.730	130.89	0.439	120.72	14

Table 9.13**Transport subsidy under Mill Gate Price Scheme in NER**

(Rs. In lakh)

Year	Transport subsidy paid as per MGPS	Additional transport subsidy paid by NHDC	Total transport subsidy paid
2006-07	15.31	8.63	23.94
2007-08	15.30	9.18	25.48
2008-09	13.04	4.73	18.37
2009-10	18.5	8.64	27.14
2010-11	21.27	8.54	29.91

(d) Health Insurance and Life Insurance Schemes

There are two Schemes available for the weavers and ancillary workers namely; **Health Insurance Scheme and Mahatma Gandhi Bunkar Bima Yojana (MGBBY)** for life insurance as well as health insurance covers. The benefits under Health Insurance Scheme along with the other details of these schemes are given in Table 9.14 to Table 9.18.

Table 9.14**Benefits under the Health Insurance Scheme**

Annual Limit per family	Rs.15,000/-
Sub Limits per Family:	
All pre-existing Diseases + New Diseases	Rs.15,000/-
Maternity Benefits (per child for the first two)	Rs.2,500/-
Dental treatment	Rs.250/-
Eye treatment	Rs.75/-
Spectacles	Rs.250/-
Domiciliary Hospitalization	Rs.4,000/-
Ayurvedic/Unani/Homeopathic/ Siddha	Rs.4,000/-
Hospitalization (including pre and post)	Rs.15,000/-
Baby coverage	Rs.500/-
OPD	Rs.7,500/-
Limit per illness	Rs.7,500/-

Table 9.15
Premium under Health Insurance Scheme

PREMIUM		GOI Share	State/Weaver Share*
ZONE-I	Rs.939.76	Rs. 769.36	Rs170.40
ZONE-II (Including NER)	Rs. 770.99	Rs.631.19	Rs. 139.80
(*Rs.50/- to be borne by weaver)			

Table 9.16
ENROLMENTS UNDER HIS (NER)

State	Year 3 (07-08)	Year 4 (08-09)	Year 5 (09-10)	Year 6 (10-11)	Health/ Mobile Camps	OPD	IPD
Arunachal Pradesh	12,318	16,590	855	10,000	7	3	2
Assam	464,635	445,947	352,124	316,000	157	201	47
Manipur	18,866	44,507	29,991	50,000	18	17	4
Meghalaya	17,000	33,822	35,250	50,000	24	2	1
Mizoram	-	187	110	1,000	6	1	1
Nagaland	-	32,677	32,820	50,000	16	9	4
Sikkim	-	118	55	1,213	5	2	1
Tripura	24,003	39,444	25,250	48,000	20	14	2
Total	536,822	613,292	476,455	526,213	253	249	62

Table 9.17
Mahatma Gandhi Bunkar Bima Yojana (MGBBY)

ENROLMENTS (NER)	
Year	Number of weavers covered
2007-08	16490
2008-09	64664
2009-10	55291
2010-11	34322

Table 9.18**Premium under Mahatma Gandhi Bunkar Bima Yojana**

Details	Annual Rate of Premium (2007-08 to 2010-11)	Annual Rate of Premium 2011-12 onwards
GOI contribution	Rs.150/-	Rs. 290/-
Weavers' contribution	Rs. 80/-	Rs. 80/-
LIC's contribution	Rs.100/-	Rs. 100/-
Total premium	Rs.330/-	Rs. 470/-

- (e) The physical progress of Diversified Handloom Development Scheme during 11th Plan Period is given in Table 9.19.

Table 9.19**Physical Progress of Diversified Handloom Development Scheme**

Year	No. of design exhibition-cum-workshops sanctioned in ALL INDIA	No. of design exhibition-cum-workshops sanctioned in NER	Other Achievements
2007-08	203	20	Successful completion of 3 rd Handloom Census of India (2009-10)
2008-09	211	27	
2009-10	233	30	Printing of about 20.00 lakh Photo Identity Cards of the handloom weavers
2010-11	300	23	

9.3 RECOMMENDATIONS OF THE WORKING GROUP**9.3.1 EXECUTIVE SUMMARY**

The Sub Group comprising of different State Governments, officers of the Ministry of Textiles and other departments, Researchers from Universities and other institutions met thrice on 16.06.2011, 24.06.2011 and 12.07.2011 to consider the policies for NER vis-à-vis the terms of reference given.

As per Census 2009-10, the dominance of female weavers in the total weavers' work force is highest in the North Eastern States where it is 99%. However, they are weaving largely for the domestic market. The region itself has variation in situation. Assam, Manipur and Tripura have distinct characteristics from the other states where the terrain is difficult and population wide spread.

The cultural heritage of the region is distinctive and the richest expression is found in the weaves which are woven on the back-strap loom. The back-strap loom is seen by some economist as non productive, which is not the case. In the case of Manipur, which has one of the oldest and finest weaving traditions of the area, there is a very wide range of techniques and different types of looms are used. This could be developed into a highly successful production centre for marketing products throughout India and abroad by involving the private sector.

A well developed design tradition in these traditional textiles can be a source of immense wealth for the future and most suitable for their geo-climatic and environmental and cultural situation. Traditional knowledge of processing of materials, of vegetable dyes etc. can be a great possibility for the creation of a special brand, which can have an international demand commanding high prices as in the case of Bhutan.

Therefore, it is important that design and technical interventions should be carried out with knowledge of the cultural heritage and its value.

There is a need also to evaluate the effectiveness of ongoing schemes and to redesign them to enable optimum utilization of fund.

It is hoped that the approach of greater participation of the people through Self Help Groups, Private-Public oriented schemes, utilization of small groups of same tribe/community created by traditional leaders, as well as the MES scheme, which involves the master weaver entrepreneurs will lead towards greater participation.

One of the greatest problems has been access to raw materials, to credit and different markets. The proposals to expand distribution of materials as required by the weavers, access to credit cards, to margin money being made available directly to the weavers etc and a

proposed design marketing, promotional drive at different levels should improve the quality of life of the women and their families and create a large a multi-layered market.

1. **Strategy for availability of raw materials:**

Raw material is supplied through NHDC Depots. However, to make it is sufficient and timely specific interventions to enable this are required as follows:

- (i) Enhanced transportation subsidy.
- (ii) Enhanced staff and increased number of depots.
- (iii) A more aggressive role in promoting use of yarns through Raw Materials Fairs etc.
- (iv) Setting up of Mercerizing Units through PP mode.
- (v) Setting up of Dye Houses on a PPP mode with attention towards vegetable dyes using local skills and updating the same.

2. **Credit flow to individual weavers, master weavers and cooperatives. Credit should be subsidized as in the case of farmers. NABARD should provide refinance at concessional rates.**

- i) Margin money should be given directly to the weavers' organizations or SHGs.
- ii) Lack of banks in the area needs micro-enterprises to be set up. Schemes have already been introduced by SEWA Women's Bank in Manipur successfully. This needs to be expanded. SEWA Bank, their associated organizations and similar associations may be consulted. SEWA Bank is willing to provide consultation for setting up of a Banking system in NER to be organized by the women for the women.
- iii) The distribution of credit cards to *bonafide* weavers who have already been enumerated in the latest Census or in State Govt. records and have been issued identity cards needs to be accelerated.

3. **Upgradation of looms and accessories through supply of accessories, CFC, Design Studios, worksheds, training etc.**

- i) Formation of SHGs based on different community/tribal affiliation of upto 10 to 20 handloom weavers to be set up.
- ii) Providing work sheds, dye houses and funds for market promotion.

- iii) Training facilities to be upgraded and new institutional support or simultaneous upgradation of existing institutes may be done.
- iv) Apparel Designing & Training Institute to be set up in the region.
- v) One Special Weavers' Service Centre linked to the Apparel Designing & Training Institute needs to be set up.

4. Marketing Promotion and Distribution:

- i) The North East Regions distinctive designs and apparel woven on the back-strap loom based on their traditional designs needs to be developed and promoted as a special Brand of the area. This requires intervention of designers, promoters and fashion shows.
- ii) A packaging institute needs to be set up for evolving special packaging with emphasis on heritage, traditional, materials and their uniqueness as eco-friendly needs to be emphasized.
- iii) Organisation of Mega Expo in NE Region with invitees from export houses, foreign boutiques etc to be invited. Similar Expos to be held in Metropolitan cities.
- iv) Opening of showrooms of NER products in the Metropolitan cities.
- v) Ministry of Textiles should coordinate with Ministry of Tourism to develop Cultural Tourism.

5. Welfare Measures: All existing Schemes to be continued.

6. Review of current models of clustering and appropriate changes for incorporation in the 12th plan

- (a) All existing Schemes should be evaluated and the awareness about these Schemes be generated in each and every State of NER. Local volunteers, NGOs and Community Groups should mobilize awareness about these Schemes. The funding pattern of all the Schemes for NER should be in the ratio of 90:10 and should be routed directly to the beneficiary/implementing agency to avoid time and cost overrun. The fund flow should also be monitored frequently to ensure its passage upto the grassroots level.

- (b) The new proposed scheme of MINIMUM ECONOMIC SIZE (MES) commercial units is highly recommended and should be implemented immediately. The Working Group recommended the proposal for the new MES commercial units as a Central Sector Scheme. The Group recommended that implementing agency should develop prototypes for training with the help of professionally qualified designers of reputed institutions such as NIFT, NID etc and designers of Weavers Service centers having knowledge of local traditions before starting the training.

7. SPECIAL NEEDS OF NER

Taking into consideration that there are special needs for the region, it is proposed that;

- i) An Advisory Group of Experts should be set up for the region, which would monitor the progress and evaluate the projects.
- ii) In addition to NEITCO a Marketing Consultant having good experience in promoting special products and who can enable linkage with buyers should also be engaged through the core implementing agency (NEITCO).
- iii) A Design Consultant needs to be appointed, who would have knowledge of local systems, structures, environments, education, values and human resource and an understanding & application of special tribal Designs.

Three meetings of the subgroup were held on 16.06.2011; 24.06.2011 and on 12.07.2011 and the detailed recommendations of the Working Group are discussed below:

9.3.2 Access to yarn in NER

The following recommendations were agreed upon by the Working Group:

To suggest ways and means and strategy to ensure the availability of raw materials i.e. yarn, dyes and chemicals for the handloom sector of NER in the 12th plan.

As on date, the yarn and other raw materials are supplied through the NHDC depots. However, it is felt that the yarn supply is grossly insufficient and is not reaching the target consumer at competitive rates. Hence, Working Group has made the following recommendations to enable a smoother supply of all raw materials in NER :

The Transportation Subsidy for NER, under MGPS should be revised for yarn other than silk and jute and should be on actuals. For jute yarn, the existing transportation of reimbursement is 8.5% which is proposed to be revised to 10%. The claim procedure for it should be simplified. The Depot operating charges should also be revised and those yarn depots with good turnover should be evaluated and incentivized periodically by way of corpus enhancement. The weavers experience and input has been taken into consideration while formulating these changes. Based on the above, Working Group has given the following proposals alongwith a detailed justification necessitating the changes as follows:

- (I) It is proposed that the freight re-imbursement rates may be revised for NER as per Table 9.20.

Table 9.20

Freight reimbursement towards transportation of yarn in NER

S. No.	Product	Area	Existing transportation reimbursement	Proposed transportation reimbursement *
1.	Other than silk and Jute yarn	NE Region	3%	Actuals
2.	Jute Yarn	NE Region	8.5%	10%
3.	Silk Yarn	NE Region	1.5%	1.5%

* All above rates are restricted to actuals or the maximum limit as prescribed by NHDC.

This will entail an additional expenditure of Rs. 90.00 lakh per annum and will amount to Rs. 4.50 crore over a period of five years.

JUSTIFICATION FOR THE INCREASE

- (i) The Mill Gate Price Scheme is being implemented w.e.f 1992. During 1992-97, the freight reimbursement was 1.5% of yarn value. Since then and upto 2011, the price of

diesel has increased up to 7 times i.e. from Rs. 6 per litre (approx.) to Rs. 42 per litre (approx.) ; whereas the prices of yarn have gone up merely 3 times.

- (ii) Further, in respect of yarn supplies to North Eastern States from southern India, (where most of the spinning mills are located), the actual freight expense is more than the one that is allowed/ reimbursed under MGPS. Therefore, the user agencies have been representing for revision at various forums from time to time.

(II) Service charges to the NHDC

It is proposed to revise the service charges to NHDC as follows:

Area	Existing Service charges	Proposed Service charges
NE Region	0.75%	2.5%

This will entail a financial implication of Rs. 75.00 lakh per annum and will require a financial allocation of Rs. 3.75 crore in the 12th Five Year Plan period.

JUSTIFICATION

1. The supply of yarn to hills/remote areas and North Eastern Region requires more efforts and work force for serving the user agencies due to the scattered distribution of handlooms. As on date, the service charges allowed against such supplies are lesser as compared to the service charges for plains.
2. The Corporation is managing its operations with the minimum possible work force (which is 208 as on 30.6.2011), despite the fact that there has been revision in salary/DA and after operating expenses over a period of time.
3. Further, in order to increase the penetration and with the increased turnover from Rs.1227 crore (during FY 2010-11) to Rs.2500 crore (during FY 2012-13) the corporation will have to add new branches and additional workforce, which will increase the overheads further.

4. In respect of supplies made by NHDC under MGPS, the service charges should be applicable as available under MGPS. However, when the supplies are made outside MGPS i.e. under General Scheme, the NHDC should be allowed 2% towards its service charges.
5. In such cases when the prevailing market price is lower than the procurement price, NHDC may be allowed reimbursement of loss on actual basis and the sale/supply from stock at price lower than the procurement price (i.e. mill gate price). Since NHDC will have to reduce the sale price to avoid piling up of stock.
6. In such cases, when the prevailing market price is higher, NHDC will continue to sell the stocked yarn at mill gate price.

(III) Enhance the number of Yarn Depots

More Yarn Depots should be set up in each NER State and appropriate conveyance be given to take the yarn to the user. MD, NHDC informed that mobile vans are available under the Scheme even at present. However, the response and requirement for this facility is not encouraging. Therefore, the existing parameters of the Scheme may be revised by NHDC after considering the cost escalation due to inflation over a period of time.

Out of the 10 new depots proposed to be set up every year, atleast 4 depots will be in the North Eastern Region. Therefore, the depots/warehouse operational cost for these will be @ Rs. 80.00 lakh per annum and Rs. 4.00 crore for five years. All the above expenses will be met out from the funds to be allocated under the Mill Gate Price Scheme implemented by the NHDC.

(IV) Waiver of Value Added Tax (VAT) and CST for supply under MGPS

To give thrust to handloom industry and provide a competitive edge and price advantage to the handloom weavers industry, it is proposed that the yarn supplied under the MGPS should be exempted from sales taxes such as VAT and CST.

JUSTIFICATION FOR SEEKING EXEMPTION FROM VAT (AS EARLIER) & CST:

- a) Before 1st March, 2002 cotton hank yarn in plain reel form was exempted from CENVAT. The rate of CENVAT on cotton hank yarn was 9.2 % and this price advantage was exclusively for Handloom sector. However, w.e.f. July, 2004 CENVAT on all varieties of cotton yarn has been exempted. With the withdrawal of 9.2% CENVAT, the Handloom sector has lost its' cost advantage and is facing strong competition from the Powerloom sector having higher productivity.
- b) Most of the States have already exempted cotton hank yarn from VAT and CST, yet there are other varieties of yarns (supplied under MGPS) which are not yet exempted from sales tax.
- c) This point has been recommended in the MGPS Evaluation Study Report by Mott Mac Donald.

(V) Yarn Subsidy

A Yarn subsidy is the need of hour. This will help the sector to survive and become self sustainable in the long run and will also enable them to compete with the Powerloom. All types of yarn (including imported silk yarn) required for production of handloom items should be covered for the yarn subsidy. The implementing agency should ensure that all the payments from user agencies and implementing agency would be made through Account payee cheque/ RTGS/ NEFT drawn from their own bank account. This will not only help the sector to survive and become self sustainable in the long run but also enable them to compete with the Powerloom.

In order to avoid the misuse of yarn subsidy:-

- (i) The number of handlooms of each and every agency shall be verified jointly by NHDC and State Directorate of Handlooms/ WSC.
- (ii) Census card/ ration card will be relied upon for verification.
- (iii) For the purposes of yarn subsidy, the quantity of yarn supplied to each agency shall be restricted, based on their capacity in terms of number of handlooms.

(iv) Beneficiaries of the Scheme:

The eligible agencies that can avail the benefit of the scheme will be as under:-

- a) All handloom organizations of National/ State/Regional/Primary Handloom level.
- b) Handloom Development Centers.
- c) Handloom producers/manufacturers exporting directly and registered with HEPC/ any other export promotion council under Ministry of Textiles/ Director of Industries/ Handlooms of State/ U.T. All approved export houses/ trading houses/ star trading houses for production of handloom items.
- d) Members of recognized/ approved handloom associations.
- e) Any other agency approved by the office of Development Commissioner (Handlooms), Ministry of Textiles, Government of India.
- f) Individual Handloom Weavers issued I-card by Commissioner/ Director of Handloom & Textiles of State Govt.

(v) A CFC of NHDC may be dedicated for stocking and distribution of different types of yarn, as per the demand in the NER State and be made available in big and small lots, as per requirement. The Members felt that private enterprises should also be consulted and encouraged to set up warehouse and stock yarn in this region. MD, NHDC felt that the recommendation of providing small quantity of yarn and dyes to independent weavers does not appear feasible in this region due to operational modalities and due to cost disadvantage. The Mill Gate Price Scheme is mandated to supply yarn at the mill gate price. Yarn should be made available to genuine individual weavers identified as a handloom weaver as per Census or State Government record.

(vi) NHDC should organize annual 'Raw Material Fair' or BSMs at a cost of Rs. 10. lakh per year where besides NHDC, reputed/ private mills should be invited to showcase the various types and quantities of yarn and their prices available at mill gate prices. This will enable the mills to estimate the requirement of the area and to consider to stock and supply the yarn accordingly.

- (vii) The members felt that yarn manufacturing projects and Mercerizing units should be set up in PPP mode with financial assistance of Rs. 1.00 crore per year, from the Ministry of Textile or else un-mercerized yarn be brought from main land India and a small mercerizing unit be set up in collaboration with small entrepreneurs of the North East Region. Alternatively it can also be dovetailed with the benefits and operations under the MGPS scheme.
- (viii) The Members of the Group felt that NHDC should supply only natural fiber yarn through the Mill Gate Price Scheme. However, MD, NHDC explained that the demand for acrylic yarn is the maximum in this area. The members suggested that NHDC should promote the use of natural yarn.
- (ix) Develop quality dye units to ensure color fastness and Quality dyeing training programmes should be increased. WSCs and reputed reactive dye producers should also be invited to participate. Vegetable dyes should also be introduced through NHDC and innovative dyeing R&D stations are developed to familiarize with their use. The subgroup recommended that each State in the region should have a Dye house in a PPP Mode. Effort should also be made for up-gradation of old and existing dye houses wherever available. These should be upgraded with a contribution of Rs. 1.00 crore per year from the Government of India, besides the State Government and the beneficiary. There is an urgent and immediate need for such dye houses in Arunachal Pradesh and Nagaland.
- (x) The total cost implication of all the above interventions is estimated to be of Rs. 25.00 crore approx. over a period of five years.

9.3.3 Credit Flow

To suggest mechanism for credit flow to individual weavers, master weavers and cooperative societies of NER in the 12th plan.

- (a) Credit to weavers in the handloom sector of North East Region should be specially subsidized like the credit to farmers. Special efforts may be made to enable NABARD to provide re-finance at concessional rates. The incentives like 10% rebate on the sales should be restarted for the NER Region without the State share.

- (b) Microenterprises (like SEWA) should be developed for a community based development. The Working Group recommended that we may take the advice of the SEWA Bank and its associate Friends of Women World Banking who have previous experience in the North Eastern Region, specifically Manipur State. They may train the NER Women to set up a dedicated Bank as well as to familiarize them with banking and financial services to access credit. Weavers, particularly women, should be invited to participate in formulating policies for NER. The representatives of the States Women Commission should also be invited to mobilize these trainees. They should generate interest and awareness amongst women weavers through short films highlighting success stories and on existing models (as in Manipur state). On consultation, the SEWA Team has expressed willingness to provide consultative services for establishing an Urban Cooperative Bank in NER with an estimated cost of Rs. 50.00 lakh per year. It would take about two years to set this up as it will require a feasibility study, a business plan, linkage with RBI, community mobilization, training and establishment of basic infrastructure. Separate funds are allocated for conducting orientation programmes and trainings for women weavers.
- (c) Margin Money should be given to Microenterprise (MES) comprising of at least 10 weavers/ancillary workers as there are not enough Banks in the region. A corpus fund of Rs. 1.00 crore may also be kept with NHDC for this purpose. The Working Group felt that since the margin money is normally given to the individuals, the Cooperative Societies or SHGs under the MES Scheme may be eligible for availing this benefit.
- (d) It was also felt that the State Governments are often using this corpus fund for margin money as a onetime grant. Working Group accepted the recommendation that –
- (i) A Corpus fund of Rs. 1.00 crore for supplying yarn to the MES of at least 10% may be given to NHDC on the lines of similar corpus given to NHDC under the IHDS Scheme
 - (ii) An amount of Rs. 3.00 lakh per Microenterprise (comprising of at least 10 weavers/ancillary workers) may be allowed as corpus fund for the said purpose. However, in cases where the number of persons in MES is more than 10, the Corpus amount may be increased proportionately

- (iii) The MES should be mandated to utilize the corpus by making atleast four transactions/rotation per year.
- (iv) Where the number of transactions/rotations is more than four, the corpus may be increased by Rs. 1.00 lakh in the second year and further by another Rs. 1.00 lakh in the third year i.e. the Corpus fund be increase progressively from Rs. 3.00 lakh to Rs. 5.00 lakh where the rotation by the MES is good.
- (v) The total cost implication of all the above interventions is estimated to be of Rs.06.00 crore approx. over a period of five years.

9.3.4 Infrastructure Support

To suggest and develop ways and means to provide looms and accessories, other infrastructural support such as worksheds, CFC, design studios, handloom parks etc. in NER during the 12th plan.

- (i) Community Groups, Panchayats and weaver Tribes should be encouraged and incentivized to identify the weavers, preferably women, to form SHGs/consortium of 10 -20 weaver specifically addressing the needs of women beneficiaries and to formulate women centric schemes and interventions.
- (ii) Allocation of funds should be need-based since needs of low lying States of Assam, Tripura and Manipur are totally different from those of remaining NER States. Clusterization in these three States is appropriate, but not for others. However, smaller States including Sikkim also need to be covered and their special needs should be identified. For instance, the '*Lepcha Weaving*' of Sikkim is nurtured through special projects funded by GOI to protect the languishing craft.
- (iii) Common worksheds, for minimum 10 looms, at a cost of Rs. 50,000/- per beneficiary for at least 500 weavers per NER State be allocated annually (55 x 50,000/- x 8 states=22 crore). The Government of Mizoram recommended that the Workshed-cum-Housing Scheme requires ownership of land title for availing the benefits of the Scheme. In NER, the region is dominated by women weavers who seldom have land titles due to inherent social, cultural and traditional practices whereas land title is mandatory for availing the Scheme. To

solve this problem land/building lease may be accepted. Other agencies like NEHHDC; NEITCO and Cooperations and Federations of the Region may be involved for implementation of these Schemes.

- (iv) It was recommended that the State Level Project Management Units (PMU) (Society) may be set up comprising of one Government Member and Members from non-governmental Organization; one Member from the Women Commission; one Technical Expert and one individual weaver or representative of the community in every State of NER.
- (v) The existing Social Security Schemes for health insurance, life insurance and credit card should continue. However, GOI should contribute the premium for NER Handloom weavers by 90% and the beneficiary/State should pay the remaining 10%.
- (vi) As recommended by the subgroup, the domestic handloom should be encouraged to convert to commercial weaving as envisaged under the MES scheme. For this, the necessary modification of looms and accessories like dobby and jacquard should be provided. Some Members of the Working Group felt that the products of NER lose their aesthetic value if the use of dobby and jacquard is encouraged. However, suitable financial assistance is available not only under the existing IHDS Scheme but also is proposed under the new MES Scheme for all types of loom accessories. These Schemes also provide for financial assistance for skill up gradation of weavers in weaving, dyeing and managerial aspects. The benefits of IHDS Scheme should be on a cost-sharing basis of 90:10 ratio i.e. (GOI share: Beneficiary) for NER weavers.
- (vii) The total cost implication of all the above interventions is estimated to be of Rs. 22.00 crore approx. over a period of five years.

9.3.5 Distribution: Marketing & Promotion of NER Products

Strategy for distribution, marketing and promotion of handloom products of NER including brand-building in the 12th plan.

- (a) A new product mix should be developed comprising of new and traditional products both for the urban and traditional markets to enable profitable marketing of NER

products. A proper product mix of silk colored products can cater to the high end markets while the traditional colored products can be sold in local markets for Pujas and weddings through the regional district and state level exhibitions New innovative designs, textures & yarns which have good potential in the international market should be developed by engaging established professional designers available. Foreign collaboration and tie up with EXIM bank be considered. Buyers should be invited to NER to showcase the design range and weavers should participate in select/appropriate international exhibitions. Guidance and trainings should be given for visual merchandising and proper presentation and packaging of NER products. All products shall carry a tag on the history and culture of the traditional weavers/motifs/design etc. used in the products.

- (b) A product mix should be developed for the local markets, the urban markets of the NE Region and for the Metropolitan markets, as well as for export. A special drive needs to be made at different levels.
- (c) The local market needs to be sensitized to the meaning, significance and aesthetics of the tribal traditions. This could be done indirectly by encouraging fashion shows using traditional designs at schools, colleges and universities and at the Major Fashion events and discussions on Doordarshan programmes etc.
- (d) For domestic markets, it is very important to have an organized platform for the handloom & handicraft sector for this region. Local culture/festivals, arts and crafts of NER should be highlighted in major metropolitan cities (in other states) in mainland India. Permanent space in State Govt. emporium, Rajiv Gandhi Bhavan, CCIC, Handloom House etc. should be secured for showcasing NER products. The State Government Bhavans of the North East States should be frequently used for organizing sales and exhibitions of handloom products of the respective States. The cost saving on the rent can be used for wide publicity of these events. To set up Value addition units for fabrication etc. adjacent to weaving units throughout NER, proposals may be considered under the TUF Scheme for handloom weavers.
- (e) The Urban Market needs to have a range of products from across the region, which can be developed with the help of Weavers Service Centers and Designers on contractual basis.
- (f) The Metropolitan market, as well as Export market needs to be developed by involving established design and marketing institutions. Buyers need to be invited to expose them to the possibilities of developing a different style of dress as well as

lifestyle. A special project for promoting specialized packaging and presentation of the NER products needs to be built up.

- (g) Two Exposure visits per year to other countries should be organized at a cost of Rs. 5.00 lakh each, to explore international markets. GOI should give financial assistance for participation in international fairs.
- (h) For Positioning of the local Handloom & Handicraft in the international market and to understand requirement of the international market for bringing international buyers nearer to the artisans showcase in the BSM at a cost of Rs. 50.00 lakh each as a regular event. These activities be conveyed with ongoing activities of CSB; Textiles Committee and NHDC wherever possible. Besides generating revenue this will enable to develop a marketing plan and establish proper channel of communication for market development thus saving expenses of a huge group of representative artisans participating in exhibitions around the world.
- (i) Participants in the BSM should be as follows :
 - Sellers: Producers and dealers of the product segment from the North Eastern states of Assam, Arunachal Pradesh, Manipur, Nagaland, Mizoram, Tripura and Meghalaya.
 - Buyers: International buyers from selected countries such as USA, UK, French, Italy, Australia, Germany, Poland etc approx 25 no. The international buyers will be invited on an all expense paid trip to the region. Estimated annual expenditure Rs. 25 lakh (Rs. twenty five lakh) per BSM.
 - Hold Conference cum exhibition during the BSM :
A Conference be organized for the invited buyers, delegates, sellers, and entrepreneurs to discuss the market demands, scope and challenges, necessary know how of the trade and network for a long term association. Estimated expenditure on organizing the exhibition and conference is of Rs 7.00 lakh approx.

Return on investment in BSM (to be held annually)

Expected return on investment is a key factor in this project. The preliminary aim of BSM is to provide the much needed exposure to the local artisans of the region. Primarily the focus is to uplift the local design and technique to meet the international market standard and create a stage of its own in the international arena. The projected business from the 1st edition of the meet is expected to be around Rs. 125 lakh over a period of next 2 years. The total business for the period of five years is expected to be

Rs. 275 lakh. Gradually a proper marketing chain will take shape and with time the monetary inflow would increase.

- (j) The Working Group recommended that innovative ideas in handloom technology should be explored. A separate sub-head of funds of Rs. 50.00 lakh per year should be allocated to develop R&D projects for this region. The subgroup was of the opinion that new technologies for the area need to be introduced with care. Frame looms could be introduced for simple striped and check material while the importance of the loin loom should not be minimized.
- (k) To consider active participation of NEHHDC, NEITCO and other regional Federations and Cooperatives of the State/NER for organization of marketing events. However, funds should be released to NEHHDC directly or through DoNER and not through State Governments. Stalls in exhibitions should be allotted in the name of the Individual Weaver or their Community Group and not to the PWC Societies so that the individual weavers can get the benefit of sales directly. “Weekly Rural Haats” should be organized at district level and individual weavers/SHGs and community groups should be funded to participate for marketing their products. If possible, every district headquarter should have a permanent sales outlet for selling handloom products exclusively. Participation/sale through other wholesale markets (Bazaars/Haats) (which sell other types of goods) should also be encouraged with financial assistance from GOI. The concept of Dilli Haat like should be opened in every capital of the North Eastern States wherein stalls should be allotted on rotation basis in a pre-fixed bazaar/location. Priority should be given to the individual weaver or the Community Group while allotting the stall. The subgroup felt that in such Haats, a separate section for handlooms may be slotted and be kept permanently to enable the different Community Groups and Panchayat to participate in these markets regularly. For this purpose, funds may be given to the concerned Panchayat or the Community Group Head to enable continuity in participation. Similarly one State should organize a national level event and exhibition of their handloom products in another State of NER, as well as in mainland India, at a cost of 30.00 lakh per event. This will enable exchange of their skills, technique, designs, color combinations, new yarns, products etc. so that they can also upgrade and align their products for the market. Funds to the tune of Rs. 1.00 crore per year be allocated for this purpose.
- (l) Fashion Shows are very popular in North East; therefore, they need to be an integral part of the Fashion movements not only in NER but also in the metropolitan cities

using the assistance of NIFT designers etc. To hold a Mega Fashion show in Delhi and Mumbai every year and this should be followed by a BSM. Separate funds of Rs. 50.00 lakh per year should be allocated for participation in National level Fashion events, through national level fashion organizations like FDCI to showcase exclusive and contemporary NER fashion products at this forum.

- (m) The total cost implication of all the above interventions is estimated to be of Rs. 16.00 crore approx. over a period of five years.

9.3.6 IMPROVING THE LIVING STANDARDS & WELFARE MEASURES

To suggest measures for improving the living standard and welfare measures such as health insurance, life insurance, pension scheme etc. for the handloom weavers and ancillary workers of NER in the 12th plan.

- (i) The existing Social Security Schemes for health insurance, life insurance should continue. However, GOI should contribute 90% of the premium for NER Handloom weavers; Weavers' Credit Card should be introduced for the weavers/SHGs/MES/or community entrepreneurs of NER.
- (ii) MOT should coordinate activities with Ministry of Tourism to develop Cultural Tourism. Tourism promotion experts be consulted to promote NER handloom products as a Special Project. GOI to give financial assistance of Rs. 1 crore per year for this Project.
- (iii) Awards should be given in each State, to 'Masters' in recognition of their special weaving skills and they should be entitled to special privileges. They should make unique traditional Museum pieces and these products can then be sold through Museum shops. GOI should finance the Museum shops with Rs. 1.00 crore to meet the cost of development of the unique products.
- (iv) Total cost implication Rs. 10 crore for five years (approx.)

9.3.7 INSTITUTIONAL SUPPORT & DOCUMENTATION

To suggest ways & means to provide better livelihood to handloom weavers of NER through training, HRD and R & D programmes to undertake technological improvements in loom technology, pre and post loom processes to enhance productivity, quality and reduction in fatigue in the 12th plan.

- (i) Academicians/Scholars should be sensitized to study the needs of NER handloom textiles. At present, most of the existing institutes are working sub optimally due to lack of infrastructure and trained manpower. Therefore, degree courses in Textile Technology are an urgent need in the NER. These should be dovetailed through NIFT, Kolkata; NIFT, Shillong; Sardar Vallabh Bhai Patel (SVBP) Institute for Fashion etc. GOI should invite scholars/NGOs/academicians from time to time to discuss the needs and problems of handloom weavers in NER and their solutions after visiting the Clusters and interacting with the community groups.
- (ii) To develop one Apparel Design Training Institute in NER at a cost of Rs. 1.00 crore. At least 10 Young weavers per year should be given scholarships for enrollments in prestigious institutions like NIFT, NID. Funds to the tune of 50 lakh be kept for this purpose. These young graduates should then be integrated into the garment manufacturing units and export houses. Professional training on fashion designing and merchandising will enable the integration of the handloom sector with the garment industry. Tie ups with NIFT; Sardar Vallabh Bhai Patel Institute for Fashion; export houses and garment manufacturers outside NER also can enable assured demand for the NER handloom sector.
- (iii) New Textile Institutes with updated knowhow/teachers and experts should be developed to promote NER textiles. More focus should be given to develop their infrastructure and to provide technical support in areas outside Assam so that the far flung states also get the required institutional support. At the same time, the existing institutes including regional NIFT; IIHT Guwahati, should be evaluated, their teaching staff be upgraded, teaching curriculum and buildings should also be updated. Separate funds be allocated to promote research and documentation of the craft skills of NER. Degree courses for higher education should be taught here alongwith Diploma courses. The subgroup proposed that five chairs should be created all over

the country for this purpose and one of them should be located in the NER region. Activities of NIFT and SVBP Institution be collated with these.

- (iv) Special training for skill development particularly to enable self employment to women, marginal and micro entrepreneur for specific categories such as skilled and semi-skilled work force should be given in the NER region. Similarly, the emerging new technologies in weaving, spinning, processing, finishing, non-woven knitting etc. should also be imparted to develop a base of skilled manpower for this region.
- (v) Similarly, every State in NER should have a Weavers Service Centre or a small regional office in each NER State to provide contemporary and marketable designs. Their work should be constantly evaluated. The WSCs in NER should be actively involved in advocacy of handloom Schemes including IHDS; MEPS; TUFs and the Handloom Mark Scheme. The activities of WSC like the design exhibition-cum-dyeing workshops should also be well publicized.
- (vi) Research Centres should be opened in PPP mode with active involvement of progressive entrepreneurs of the State to study as to how the use of vegetable dyes particularly on 'Eri'/'Muga' silk can be enhanced.
- (vii) 'Eri' silk farmers should be given technical guidance and training for scientific farming and use of vegetable dyes and dyeing process. The various interventions and programmes of CFC should be collated with these activities and more awareness be generated about them. More and more R&D Projects should be initiated to address the constraints and to evolve suitable cost effective technology to maximize production of quality egg, cocoon and silk, yarn of muga, eri and tussar. This is required as the Central Silk Technological Research Centre at Bangalore deals only with mulberry silk. Hence the eri silk and muga silk produced in NER needs special attention as they constitute 98 to 100% of the country's production. This should be encouraged in PPP Mode if required to examine the feasibility of developing innovative products using the unique products of North East States and how the available resources should be tapped. Marketing and Promotion of these products should be converged with activities of CSB and O/o DC (Handicrafts).
- (viii) CFC for pre and post loom activities also should be set up. NEHHDC/NHDC can set up CFC/Quality Dyeing Units. This should be incorporated in the parameters of the MES Scheme and should be implemented through agencies like NHDC etc. if possible.

(ix) In addition to above regional design centres for showcasing NER products alongwith a Library to document the unique handloom products of NER should be set up with financial assistance from the Government of India.

(x) Total cost implication Rs. 5.00 crore per year and 25.00 crore in five years.

(xi) Branding of 'Eri' & 'Muga' Silk of NER –

Handloom and Textile of the North-East remains incomplete without Eri and Muga silk. Most of the rural inhabitants of the North-east, irrespective of States are attached to the rearing of these silk either as rearers, farmers, spinners, weavers or traders. With the current production of approx. 3000 MT of Eri silk (14% of India's total silk production), it provides a potential earning of minimum of Rs. 5000.00 per month for more than 2 lakh families. To brand and promote 'Eri'/Muga silks as 'Organic Silks' of NER in international markets, a focused promotional campaign should be designed to show case and market 'Green silk' as "Sustainable Textile" and to enhance the popularity of Eri and Muga silk as "Green silk" besides being known as a part of "Vanya silk" which is more restrictive by the meaning, a proper branding strategy with implementation policy will give it the recognition it deserves.

These activities should be dovetailed with the ongoing activities of the Central Silk Board. It was informed that branding any product as "organic" requires GOTT Certification which is time consuming with very strict norms. It would be preferable if these silks are promoted as "Green Silk". There are various media that attract attention of the people, outdoor hoardings, promotion through print media, Periodic Seminars/ Exhibitions/Fashion Show/Buyer seller meet, online promotion and through electronic media. These media should be used in three stages of brand building on the basis of its operating coverage:

1. Regional level: North Eastern States of Assam, Arunachal Pradesh, Manipur, Nagaland, Mizoram, Tripura & Meghalaya.
2. National level: the National level should be divided into North/South/East/West Zones.
3. International Level: Covering the international market continent wise.

- (xii) The NER has good potential to secure GI tag for their unique handloom products in every State. Such products should be identified and be registered with the help of the Community Groups with suitable financial assistance from the Central Government. More products of NER are identified for Geographical Indication registration for Tribe specific names and areas of the NER States.
- (xiii) A budget allocation of Rs. 5.00 crore for five years { @01 crore per year } may be kept for all the above interventions.

9.3.8 REVIEW OF CLUSTER APPROACH

To make assessment of the current models of clustering in the handloom sector in NER & suggest appropriate interventions in the 12th plan for achieving economies of scale, technology up gradation & product improvement and to suggest ways & means for co-opting the master weavers in the overall developmental process for handloom sector in the 12th plan.

- (a) All existing Schemes should be evaluated and the awareness about these Schemes be generated in each and every State of NER as there is acute lack of awareness about the various Governments' Scheme existing for the benefits of handloom weavers. Therefore, local volunteers, NGOs and Community Groups should mobilize awareness about these Schemes. The funding pattern of all the Schemes for NER should be in the ratio of 90:10 and should be routed directly to the beneficiary/implementing agency to avoid time and cost overrun. The fund flow should also be monitored frequently to ensure its passage upto the grassroots level.
- (b) The new proposed scheme of **MINIMUM ECONOMIC SIZE (MES) commercial units** is highly recommended and should be implemented immediately. The subgroup approved the proposal for the new MES commercial units.

Need for new MES Scheme

In the North Eastern Region, handloom weaving is one of the important activities, having huge potential of developing into an employment generating occupation, second only to agriculture. Different varieties of silk yarns including Eri, Tussar, Muga and Mulberry are produced in the region, which also have a legacy of weaving passed from generation to generation. Vast majority of the handloom units in NER do not operate as commercial units. 80% of the weavers in the region have only two or three looms in their households and their family members operate the looms only on part-time basis. As such, there is an urgent need to upgrade the household units into commercial units with a Minimum Economically Viable size.

In view of the mandatory earmarking of 10% of the total budget outlays for schemes in the North East, the Ministry of Textiles has been earmarking about 20-25% of the total sub-sectoral outlays in respect of Handlooms, Handicrafts and Sericulture for schemes in the NER as there has been no demand from the North East for assistance under the major schemes of the Ministry such as Technology Upgradation Fund Scheme (TUFS), Scheme for Integrated Textile Park (SITP), Cotton Technology Mission (TMC) etc. However, in spite of that the Ministry has been surrendering huge amounts of funds to the Non-Lapsable Central Pool of Resources (NLCPR) for the North East. The year-wise amount surrendered under the North East Budget during the last three years is as given in Table 9.21.

Table 9.21
Year-wise amount surrendered under the North East Budget

(Rs. in crore)			
Year	BE	RE	Amount surrendered
2006-07	134.95	162.95	61.08
2007-08	134.95	162.95	79.09
2008-09	250.00	409.32	245.08
2009-10	450.00	450.00	240.00 (Prov.)

As the existing schemes of the Handlooms sub-sector in the North East are already being allocated 20-25% of the total sub-sectoral outlays, there is no scope for further increasing the outlays for these schemes. Hence, the need arises for a new scheme exclusively for the North East as the Handloom Sector in the region has high potential for growth and development. Therefore, for development of handloom sector, especially in North Eastern States it is proposed to launch a new pilot scheme for Upgradation of Domestic Handloom Units into Minimum Economic Size (MES) Commercial Handloom Units. The Nodal Agency i.e. North Eastern Industrial & Technical Consultancy Organization Ltd. (NEITCO), Guwahati will implement the scheme.

The scheme is expected to impart a new dynamism to the handloom sector in the North East as it envisages organizing Handlooms production by means of viable commercial units with financial, technological, managerial and marketing support from professional designers, banks, reputed retail chains etc. It is, therefore, proposed that the new Pilot Scheme will focus on integrated development and promotion of the North Eastern Handloom Sector by way of Awareness Building & Motivation, Human Resource Development/Entrepreneurship Development, Skill and Capacity Development, Design & Product Development, Exposure Gaining, Marketing Linkages and Creation of Infrastructural Facilities together with 80% funding of the cost of MES Commercial Handloom Units and the entire cost of creation of Infrastructure and Skill Development Training etc. The implementing agency will involve professionally qualified designers of reputed institutions such as NID, NIFT and designers of WSCs having knowledge of local tradition and designs to develop prototypes which reflect the local traditions, based on the location of these MES units. These should also be shown to marketing outlets and specialists.

Objective of the MES Scheme

The objective of the Pilot Scheme is to provide a boost in the North East economy by integrating the segregated efforts made till date and launching an entrepreneur driven scheme to set up 302 Minimum Economic Size (MES) Handloom Units in 2(two) years. In the first year 141 MES units will be set up in eight States of NER and in the 2nd year additional 161 units will be set up in these States as mentioned in Table 9.22.

Table 9.22

Proposed MES Units to be set up in NER

Name of the State	No. of Units (tentative)	No. of Units (tentative)
	1 st Year	2 nd Year
Arunachal Pradesh	10	10
Assam	60	80
Manipur	15	15
Meghalaya	15	15
Mizoram	5	5
Nagaland	5	5
Sikkim	1	1
Tripura	30	30
TOTAL	141	161

Financial Implication

The project (302 MES Units) is expected to benefit atleast 55000 handloom weavers and workers after its completion. 161 MES Units in the 2nd Year will be taken up only after reviewing the progress of 141 Units taken in the 1st Year.

- (a) The cost of setting up of one MES unit (excluding other components such as infrastructure development, training etc.) is Rs. 11.42 lakh, out of which GOI share is Rs. 9.136 lakh per MES unit. The remaining Rs. 2.284 lakh together with Rs.4.00 lakh towards working capital loan from the bank is to be born by the beneficiary.

Table 9.23

Projected Cost of one MES Unit

S. No.	Items	Approx cost (Rs. In lakh)
1	Land area upto 1500 sq.ft.	2.00
2	Building 1000 Sq.ft. built up area	3.26
3	Machinery & equipments	3.11
4	Misc. Fixed Assets	0.85
5	Preliminary expenses including utilities, sample development in lump sum	0.20
6	Margin Money for Working Capital (1/3rd of total requirement)	2.00
Total		11.42
Means of Finance:		Rs 9.136 lakh
Central Govt. grant – 80%		Rs 2.284 lakh
Unit holder's contribution/Loan (including land) (20%)		Rs 11.420 lakh

- (b) Since the proposed scheme aims to provide an umbrella for holistic development and promotion of the North Eastern Handloom Sector which have extreme potential but never been projected as such, this scheme envisages creation of the following infrastructure facilities also :

Common Facility Centres for quality production & quality control. CFC will have the following facilities:- 1) Pre-loom and post-loom activities 2) Weaving facility 3) Dyeing and printing facility 4) Raw material testing etc. An amount of Rs.1908.55 lakh has been provided for this purpose. Land for CFCs shall be provided by the respective State Government/Gaon Panchayats/Consortium/beneficiary. Land will not be funded by the GOI while the land for MES Units shall be provided by the respective beneficiaries and will be counted as their 20% share. The component wise details are given in Table 9.24.

Table 9.24
Total Project Cost of one MES

S. No.	Components	Project Cost (Rs. in crore)
1.	Motivational and skill development programme etc.	368.44
2.	Creating infrastructure and setting up of CFC etc.	1908.55
3.	Setting up of 302 MES Units.	2759.08
4.	Others including organizing exhibition/BSM/Market Survey/Publicity/Preparation business Plan of MES Units. Etc.	224.00
	Total	5260.07
	Administrative Charges of Implementing Agency @ 5%.	263.00
	Grand total:	5523.07
	Beneficiaries contribution @ 20%	689.77
	COST OF THE PROJECT	Rs.62.13 Crore (approx.)

NUMBER OF BENEFICIARIES TO BE COVERED UNDER MES

The target is to convert 302 weavers with considerable bankability and entrepreneurial traits into entrepreneurs and 3020 skilled weavers into successful marketers/exporters over a period of two years with a strong backward and forward support and incubatory services of the Implementing Agency for the success of the scheme. The project is expected to benefit atleast 55,000 handloom weavers and workers after its completion. There will be an estimated earning of Rs. 10-15,000/0 per month per weaver entrepreneur i.e. the productively and income will be double as compared to present day earnings.

The total cost implication of the above MES Scheme intervention is estimated to be of Rs. 62.50 crore (approx.) over a period of two years.

MONITORING

The projects would be approved, amended/revised and monitored by Project Approval & Monitoring Committee, constituted under the Chairmanship of Development Commissioner (Handlooms), Ministry of Textiles, Government of India. The composition of the Committee will be as follows:

- Joint Secretary or his/her representative from Ministry of DONER
- Advisor (VSE) or his/her representative from Planning Commission
- Director, IFW, Ministry of Textiles
- Joint Secretary or his/her representative, PF-II, Ministry of Finance
- Commissioner/Director In-charge of Handlooms of the State/s concerned
- Officer concerned from the office of the Development Commissioner (Handlooms)
- Technical expert from NID or local NIFT or Weavers Service Center
- Any other person nominated by the Chairman
- Chief Executive Officer, NEITCO – Convenor

ADDITIONAL RECOMMENDATIONS OF THE SUB-GROUP REGARDING MES :

- a) In addition to NEITCO a Marketing Consultant having good experience in, designing products of NER and who can enable linkage with buyers should also be engaged through the core implementing agency (NEITCO).
- b) One Design Consultant who can develop knowledge driven systems, structures, environments, education, values and human resource through understanding & application of NER Designs as a major constituent and thus enable economic, social and sustainable development while nurturing diverse cultural identity should be engaged. The cost engaging a Design & Marketing Consultant could be Rs. 2.00 crore for five years.
- c) Project Approval & Monitoring Committee should also have a representative from State WSC as one of the members.
- d) The Ministry of DoNER also supported the Pilot MES Scheme with the following recommendations :
 - (i) The Ministry of Textiles should make special efforts in building up entrepreneurial skills of the weavers.
 - (ii) In the North East States the land is held in the name of the Village Chief/Village Community. This makes it difficult for the borrower to show evidence of their right to cultivate the land or to offer it as a collateral. Therefore, some of the States like Mizoram and Districts Karbi Anglong and N.C. Hills of Assam have started the practice of issuing land ownership or possession Certificates based on a cadastral survey. This had been recommended by the Committee on Financial Sector Plan for NER under the chairmanship of the then Deputy Governor, RBI Smt. Usha Thorat in 2006.
 - (iii) The MES Scheme in NER should follow a 90:10% share and should be a Centrally Sponsored Scheme.

However, the Working Group recommends that the MES Scheme should be a Central Sector Scheme.

9.4 FINANCIAL OUTLAY PROPOSED FOR 12th PLAN

The recommendations of the Working Group aim at attaining a social equilibrium by raising the living standards of poor weavers located in far flung areas of North East by strong backward and forward linkages and removing income imbalance in rural & urban areas and uplifting the standard of living particularly the rural women of NER for a cost effective, inclusive and integrated development of North Eastern Handloom Units.

A few of the components mentioned in the recommendations will be addressed from the other Schemes of which they form a part. The total cost implication of all the interventions proposed by the Working Group is of Rs.152.00 crore (approximately) over a period of five years. The component wise break up is tabulated in **Annexure-20.**

CHAPTER –10

FINANCIAL OUTLAY PROPOSED FOR THE XII PLAN

HEAD	Rs. in crore
Marketing, Exports, Brand building and Promotion of Handloom products	2867.50
Infrastructure and Cluster Model	1901.00
Raw material	2140.00
Credit	770.00
Social Welfare measures and Environmental Compliance	2028.00
Training, HRD, R&D & Technical processes	605.57
North Eastern Region	152.00
GRAND TOTAL	10464.07

Appendix-A

COMPOSITION OF WORKING GROUP ON HANDLOOM SECTOR

1.	Secretary (Textiles)	Chairperson
2.	Ms Jasleen Dhamija, C-265,Golf View Apartment, DDA Saket, New Delhi	Co-chairperson
3.	Adviser (I&VSE), Planning Commission	Member
4.	Principal Secretary, Govt. of Tamil Nadu	-do-
5.	Principal Secretary, Govt. of Uttar Pradesh	-do-
6.	Secretary, Handlooms & Textiles, Govt. of Assam	-do-
7.	Managing Director, COOPTEX, Tamil Nadu	-do-
8.	Commissioner, Handlooms & Textiles, Govt. of West Bengal	-do-
9.	Commissioner, Handlooms & Textiles, Govt. of Madhya Pradesh	-do-
10.	Managing Director, NABARD, New Delhi	-do-
11.	Representative of M/o DoNER	-do-
12.	CMD, HHEC, New Delhi	-do-
13.	Managing Director NHDC Lucknow	-do-
14.	Executive Director HEPC , Chennai	-do-
15.	Shri Sunil Sethi, President, FDCI, New Delhi	-do-
16.	General Manager CCIC of India, New Delhi	-do-
17.	Textile Commissioner Mumbai	-do-
18.	Member Secretary , Central Silk Board, Bangalore	-do-
19.	Representative from NIFT	-do-
20.	Ms. Shyama Sundari, Dastkar Andhra, Andhra Pradesh.	-do-
21.	Shri Prasanna, 27, Patalamma Temple Street, Basaqqvanagudi, Bangalore 560004.	-do-
22.	Sh. Ajit Biswas, Katwa Shilp Sahakari Samiti , Ghoshat, P.O. Katwa, Distt Burdwan 713130(WB)	-do-
23.	Shri Manoj Mishra, Senior Faculty, EDI, Ahmedabad	-do-

24	G. Ramaniya. Venkatagiri. Andhra Pradesh (M: 919440044111)	-do-
25	Ms. Sumita Ghosh, Founder Rangasutra	-do-
26	Ms. Anjali Kalia, Designer, Delhi	-do-
27	Ms. Aditi Ranjan, (Specialist on North East Region) NID, Ahmedabad	
28	Prof in-charge Textile Deptt., IIT ,New Delhi	-do-
29	Ms. Archana Shah Designer/Entrepreneur, Gujarat	-do-
30	Ms. Kirtika Singh Executive Director AIACA, Delhi	-do-
31	Mr. Mohan Rao Founder President Rashtriya Karmika Jana Samakhya, Chirala (A.P.)	-do-
32	Ms. Yomah Konyak President Konyak Ngupuh Shekho Khong Zakloma Ward, New site colony, Mon- 798621 Nagaland (M) 09436015056, (O) 03869-221457	-do-
33	Mr. M S Shriram Bangaluru (NABARD, Cooperatives and Credit flow)	-do-
34	Ms. Rita Kapur Chisti New Delhi 09810054147	-do-
35	Ms Uzamma, Hyderabad	-do-
36	Economic Advisor, MOT	-do-
37	Dr. Zohmangaiha, Chairman, Mizoram Apex Handloom and Handicraft Cooperatives Society Ltd (MAHCO) Treasure square, Aizawl 796001	-do-
38	Development Commissioner for Handlooms	Member Secretary

2. Terms of reference are as under:

Government Schemes

- i. To examine and review the existing policies, schemes and programmes (including Evaluation, Monitoring and Awareness) in the 11th Plan in respect of handloom sector with specific reference to the following:
 - a. Raw Material i.e. Yarn, Dyes & Chemicals.
 - b. Credit flow to individual weavers, master weavers and cooperative societies.
 - c. Looms & Accessories, other infrastructural support such as Worksheds, CFCs, Design Studios, Handloom Parks etc.
 - d. Training, Human Resource Development and Research & Development to meet requirements of handloom sector.
 - e. Distribution, Marketing & Promotion of handloom products, including brand-building.

- f. Social welfare measures such as health insurance, life insurance, pension schemes etc.
- g. Cluster development scheme.
- h. Brand-building measures undertaken.
- i. Functioning of institutions like the Weavers Service Centres, apex marketing bodies and others.
- ii. To suggest measures for establishing and strengthening synergies with State Governments and other agencies for better linkages.
- iii. To clearly demarcate areas where Government interventions are necessary and those where PPP or NGO partnership is possible/desirable.

North – East

- iv. To review the efficacy of the ongoing schemes & programmes in the North-East Region and to suggest appropriate policy options for development of handloom sector in that region for the 12th plan .

Inputs

- v. To suggest ways & means and strategy to ensure availability of raw materials i.e. yarn, dyes and chemicals for the handloom sector in the 12th plan.

Credit

- vi. To suggest mechanisms to improve credit flows to individual weavers, master weavers and cooperative societies in the 12th plan.

Infrastructure

- vii. To suggest and develop ways and means to provide looms and accessories, other infrastructural support such as workshops, CFC, design studios, handloom parks etc. in the 12th plan.

Brand Building , Marketing & Entrepreneurship

- viii. To suggest strategy for improving distribution, marketing and promotion of handloom products
- ix. To review Handloom Mark and other brand building efforts and suggest ways to enhance brand building efforts in the 12th plan .
- x. To review Geographical Indicators registered in the Handloom Sector and make recommendations for improving implementation and usage of GIs.
- xi. To project the level of exports of handloom products during 12th plan by taking into account past performance, present trends, patterns of world trade and globalization of textiles trade etc. and to finalize the strategy for the handloom sector product-wise and market-wise for overseas markets.
- xii. To consider whether master weavers can be co-opted in the overall developmental process for handloom sector in the 12th plan and if so, how?
- xiii. To assess the current models of clustering in the handloom sector & suggest appropriate interventions in the 12th plan for achieving economies of scale, technology upgradation & product improvement

- xiv. To review and suggest measures to promote private entrepreneurship including producer companies and to revitalize State Handloom Development Corporations and Apex Co-operatives in handloom production, design development, brand building, marketing, retail and export of handloom products.

Artisan Welfare

- xv. To suggest measures for improving the living standard as also welfare of handloom weavers and ancillary workers in the 12th plan e.g. Health, Insurance, Pension Scheme etc.
- xvi. To review and suggest measures to enhance environmental impact on weaver communities.
- xvii. To review and suggest measures to enhance occupational health and safety, including better ergonomics for weavers.
- xviii. To consider launching of the Distress Relief Fund to meet the crisis needs of handloom weavers.

Research, Education, Training and Technology

- xix. To suggest means to provide better livelihood to handloom weavers through training, HRD and R & D programmes and undertake technological improvements in loom technology, pre and post loom processes to enhance productivity, quality and reduction in fatigue in the 12th plan
- xx. To suggest measures to create reliable documentation of handlooms, design vocabularies, technology mapping and other related aspects.
- xxi. To recommend measures to mainstream handloom education.
- xxii. To review existing institutes and suggest measures to enhance crafts education in various educational institutions and weaver training centers.
- xxiii. To suggest measures to recognize and promote innovations in design, technology, tools and other weaving-related spheres.

In Addition

- xxiv. To make such other recommendations as may be appropriate to enhance awareness, increase the market for handloom products and improve living standards of weavers.

Appendix B-1**SUB GROUP ON MARKETING , EXPORTS, BRAND BUILDING AND
PROMOTION OF HANDLOOM PRODUCTS**

1.	Development Commissioner for Handlooms	CHAIRPERSON
2.	Dinesh Singh Addl. Development Commissioner for Handlooms	CO- CHAIRPERSON & CONVENOR
3.	Representative of Planning Commission (VSI Division), Yojana Bhawan, New Delhi	MEMBER
4.	Managing Director, COOPTEX, Tamil Nadu	MEMBER
5.	Commissioner of Handlooms & Textiles, Govt. of Andhra Pradesh.	MEMBER
6.	Director of Handlooms & Textiles, Govt. of Assam.	MEMBER
7.	Managing Director, Jharcraft, Jharkhand	MEMBER
8.	Secretary ,Textile Committee, Mumbai	MEMBER
9.	MD, CCIC, Delhi	MEMBER
10.	General Manager, HHEC, Delhi	MEMBER
11.	Representative of Ministry of Tribal Affairs	MEMBER
12.	Ms Archana Shah, c/o Bandhej, C.1 Chinai Bagh Estate Near Dudeswar Water Tank,Ahmedabad 38004	MEMBER
13.	Ms.Anjali Kalia, D-26, Sector 2, Noida – 201 301 UP Mob.9810125244	MEMBER
14.	Executive Director, HEPC, Chennai	MEMBER
15.	Ms. Smita Mankad, Fabindia Overseas Pvt. Ltd., B-53, Okhla Industrial Area, Phase – 1, New Delhi-110020	MEMBER
16.	Shri Manoj Mishra, Senior Faculty, EDI, Ahmedabad	MEMBER
17.	Ms. Kirtika Singh, Executive Director, All India Artisans & Craft Workers welfare Association Ltd. 18 Community Centre, 3rd Floor, East of Kailash,New Delhi-110065	MEMBER
18.	Shri Ramesh Verma, Chairman, Panipat Exporters Association, Panipat	MEMBER
19.	Sh G. Ramanaiah ,House number 8-38/4, F 1 Kalyani Estate Konark Theatre Road, Dilshuk Nagar Hyderabad 500060 Ph 040 24152128 Mo 09440044111	MEMBER
20.	Shri Prasanna, 27, Patalamma Temple Street, Basaqqvanagudi, Bangalore 560004.	MEMBER
21.	Sh. Ajit Biswas, Katwa Shilp Sahakari Samiti , Ghoshat, P.O. Katwa, Distt Burdwan 713130(WB),Mob: 9434955583	MEMBER
22.	Shri Sunil Sethi, President, FDCCI, 4 th Floor, JMD Regent Plaza, Mehrauli -Gurgaon Road, Gurgaon, Haryana.	MEMBER
23.	Rep. of Dastakar Andhra	MEMBER
24.	Ms. Sumita Ghosh, C 901,Surya Vihar, Dundahera, Gurgaon Haryana 122016, rangsutra@hotmail.com	MEMBER
25.	Shri Rahamatullah Ansari, President, All India Handloom Fabrics Marketing Cooperative Society Ltd., Varanasi	MEMBER

Terms of Reference

1. To examine and review the existing policies, schemes and programmes (including Evaluation Studies) in the 11th Plan in respect of handloom sector with specific reference to the Distribution, Marketing, Exports & Promotion of handloom products, including brand-building.
2. To suggest strategy for distribution, marketing, exports and promotion of handloom products including brand-building in the 12th plan.
3. To review Handloom Mark, Silk Mark and other brand building efforts and suggest ways to enhance brand building efforts in the 12th Plan.
4. To review Geographical Indicators registered in the handloom sector and make recommendations for improving implementation and usages of GIs.
5. To identify areas to explore ways for implementing public-private partnership model for marketing of handloom products for sustainable development in the 12th plan.
6. To review and suggest measures to promote private entrepreneurship including producer companies and to revitalize State Handloom Development Corporations and Apex Co-operatives in handloom production, design development, brand building, marketing, retail and export of handloom products.
7. To project the level of exports of handloom products during 12th plan by taking into account the past performance, present trends, patterns of world trade and globalization of textiles trade etc. and to finalize the strategy for the handloom sector product-wise and market-wise for overseas market.
8. To suggest ways & means for co-opting the master weavers in the overall developmental process for handloom sector in the 12th plan.
9. To suggest measures for integration of Information technology, networking for improving overall productivity and quality of products.
10. To study the diversity of the handloom sector with information of indigenous/local organizational structures for market linkages.
11. To assess the 12th Plan outlay for the above measures.
12. To make such other recommendations as may be appropriate.

Appendix B-2**SUB GROUP ON INFRASTRUCTURE AND CLUSTER MODEL**

1	Development Commissioner for Handlooms	CHAIRPERSON
2	Sh. S.K. Jha Addl. Development Commissioner for Handlooms	CO- CHAIRPERSON & CONVENOR
3	Sh. Manoj Jain, Dy. Director, Office of DC(HL)	MEMBER
4	Representative of Planning Commission (VSI Division), Yojana Bhawan, New Delhi	MEMBER
5	Director of Handlooms & Textiles, Government of Orissa	MEMBER
6	Commissioner of Handlooms & Textiles, Govt. of Andhra Pradesh.	MEMBER
7	Director of Handlooms & Textiles, Govt. of West Bengal	MEMBER
8	Director of Handlooms & Textiles, Govt. of Jharkhand	MEMBER
9	Director of Handlooms & Textiles, Govt. of Uttar Pradesh	MEMBER
10	Director of Handlooms & Textiles, Govt. of Assam.	MEMBER
11	Director of Handlooms & Textiles, Govt. of Jammu & Kashmir	MEMBER
12	CMD HHEC, New Delhi	MEMBER
13	General Manager, CCIC, New Delhi	MEMBER
14	Deputy Secretary, Integrated Finance Wing, Ministry of Textiles, New Delhi	MEMBER
15	Smt. B. Syama Sundari, Dastkar Andhra, 95 A, Parklane, Behind Siddhamshetty Complex, Secundrabad - 500003. Ph: 040-27721735, Mobile no.9000199920	MEMBER
16	CEO, Pochampalli Handloom Park, Hyderabad	MEMBER
17	Ms. Ritu M. Sethi, Chairperson, Craft Revival Trust, S-4, Khirki Extension, New Delhi 110017	MEMBER
18	Shri Manoj Mishra, Senior Faculty, EDI, Ahmedabad	MEMBER
19	Shri Prasanna, 27, Patalamma Temple Street, Basaqvanagudi, Bangalore 560004.	MEMBER
20	Ms. Sumita Ghosh, C 901, Surya Vihar, Dundahera, Gurgaon Haryana 122016. Mo: 9810592119, rangsutra@hotmail.com	MEMBER

Terms of Reference

1. To examine and review the existing policies, schemes and programmes (including Evaluation Studies) in the 11th Plan in respect of handloom sector with specific reference to Looms & Accessories, other infrastructural support such as Worksheds, CFCs, Design Studios, Handloom Parks etc.

2. To suggest and develop ways and means to provide looms and accessories, other infrastructural support such as worksheds, CFC, design studios, handloom parks etc. 12th plan for faster and sustainable development.
3. To identify areas to explore ways for implementing public-private partnership model in different areas for sustainable development in the 12th plan.
4. To make assessment of the current models of clustering in the handloom sector & suggest appropriate interventions in the 12th plan for achieving economies of scale, technology upgradation & product improvement.
5. To devise focused strategy and suggest target- specific interventions for 12th Plan keeping in view the diversity and regional variations in weaving techniques, processes and design techniques for improving the livelihoods of the handloom weavers.
6. To suggest measures for integration of Information technology, networking for improving overall productivity and quality of products.
7. To suggest ways & means for co-opting the master weavers in the overall developmental process for handloom sector in the 12th plan.
8. To asses the 12th Plan outlay for the above measures.
9. To make such other recommendations as may be appropriate.

SUB GROUP ON CREDIT & RAW MATERIAL

1	Development Commissioner for Handlooms	CHAIRPERSON
2	Dinesh Singh Addl. Development Commissioner for Handlooms	CO-CHAIRPERSON & CONVENOR
3	Dr. Md. Nazmuddin, Addl. Development Commissioner for Handlooms	MEMBER
4	Representative of Planning Commission (VSI Division)	MEMBER
5	Managing Director, COOPTEX, Tamil Nadu	MEMBER
6	Commissioner of Handlooms & Textiles, Govt. of Andhra Pradesh.	MEMBER
7	Director of Handlooms & Textiles, Govt. of Tamil Nadu	MEMBER
8	Textile Commissioner, Mumbai	MEMBER
9	Member Secretary, Central Silk Board, Bangalore	MEMBER
10	Managing Director, NHDC, Lucknow	MEMBER
11	Managing Director, JHARCRAFT, Jharkhand	MEMBER
12	Representative of Ministry of Tribal Affairs	MEMBER
13	Managing Director, NABARD,	MEMBER
14	Rep. of CGTMSE	MEMBER
15	Shri Gajam Goverdhan, 17-32, Srinagar Colony, Dilsukh Nagar, Hyderabad-60	MEMBER
16	Sh. Ajit Biswas, Katwa Shilp Sahakari Samiti , Ghoshat, P.O. Katwa, Distt Burdwan 713130(WB), Mob: 09333252915	MEMBER

Terms of Reference

- To examine and review the existing policies, schemes and programmes (including Evaluation Studies) in the 11th Plan in respect of handloom sector with specific reference to the following:
 - Raw Material i.e. Yarn, Dyes & Chemicals.
 - Credit flow to individual weavers, master weavers and cooperative societies.
- To suggest ways and means and strategy to ensure the availability of raw materials i.e. yarn, dyes and chemicals for the handloom sector in the 12th plan.
- To assess requirement of credit needs during the 12th Plan and to suggest mechanism for credit flow to individual weavers, master weavers and cooperative societies at concessional rates for up-gradation of technology, production processes and marketing activities in the 12th plan.

4. To suggest ways & means for co-opting the master weavers in the overall developmental process for handloom sector in the 12th plan.
5. To suggest measures for integration of Information technology, networking for improving overall productivity and quality of products.
6. To study the diversity of the handloom sector with information of indigenous/local organizational structures, financial networks including access to credit, raw material usage, infrastructure and market linkages.
7. To strengthen the role of NHDC to cater to the needs of handloom weavers effectively and efficiently.
8. To arrive at realistic estimates of production of the handloom sector (variety-wise) different from the present one based on the supply of hank yarn.
9. To assess the 12th Plan outlay for the above measures.
10. To make such other recommendations as may be appropriate.

Appendix B-4

Sub Group on Training, HRD, R&D & Technical Processes

1.	Development Commissioner (Handlooms)	Chairperson
2.	Dr. Md. Nazmuddin, Additional Development Commissioner	Co- Chairperson & Convener
3.	Sh S.K. Jha Additional Development Commissioner	Member
4.	Shri Manoj Jain, Dy. Director, office of Development Commissioner for Handlooms	Member
5.	Representative of Planning Commission,(VSI Division), Yojna Bhawan,New Delhi	Member
6.	Director of Handlooms & Textiles,Govt. of Orissa	Member
7.	Director of Handlooms & Textiles,Tamilnadu	Member
8.	Director of Handlooms & Textiles, Uttar Pradesh	Member
9.	Rep. Of DG, NIFT, New Delhi	Member
10.	Prof Kushal Sen, IIT Delhi	Member
11.	Director, NITRA, Ghaziabad	Member
12.	Shri B.B. Paul, Director, West Zone, Chennai	Member
13.	Director, IIHT, Jodhpur	Member
14.	Ms. Ritu Sethi,Craft Revival Trust, S-4, Khirki Extension, Malviya Nagar, New Delhi 110017	Member
15.	Dr. Shariq Farooqui, Director,Craft Development Institute (J & K)	Member
16.	Shri D. Jairamaiah, G.-6, Plot No.21, CSR Apartments, Huda Complex, Saroor Nagar, Hyderabad,	Member
17.	Ms. Anjali Kalia, D-26, Sector 2, Noida – 201 301	Member
18.	Ms. Uzamma ,Decentralized Cotton Yarn Trust, Basement, KVIB,opp.NMDC Humayum Nagar, Mehdiapatnam, Hyderabad - 500028	Member
19.	Shri Sunil Sethi, President, FDCI, 4 th Floor, JMD Regent Plaza, (next to Global Business Park) Mehrauli Gurgaon Road, Gurgaon, Haryana.	Member
20.	Ms Rita Kapoor Chisti	Member

Terms of Reference

1. To examine and review the existing policies, schemes and programmes (including Evaluation Studies) in the 11th Plan in respect of handloom sector with specific reference to Training, Human Resource Development and Research & Development to meet requirements of handloom sector.

2. To examine and review the existing structure and objectives of the Weavers' Service Centres (WSCs), Indian Institute of Handloom Technology (IIHTs) and other related institutions with specific reference to the following:
 - a. To suggest ways & means to strengthen WSCs and IIHTs to achieve the objectives for which they were setup.
 - b. To assess manpower requirement in the WSCs, IIHTs and others.
 - d. Undertaking experimental and research programmes on all aspects of handloom sector.
 - e. To devise short term and long term training programmes for technical personals to be employed in handloom sector.
 - f. Devising channels of service in order to build up close liaison between the institutes and handloom production units.
3. To asses the requirement of trained manpower for handloom sector during the 12th Plan and suggest the strategies to achieve the target.
4. To Review existing institutes and suggest measures to enhance crafts education in various educational institutions and weavers training centers.
5. To identify areas to explore ways for implementing public-private partnership model in Skill Development, HRD and R&D for sustainable development in the 12th plan.
6. To assess the status of the R & D programmes and suggest ways for proper utilization of the programmes and further roles of Textile Research Associations, Weavers' Service Centers and Technical Institutions in the 12th Plan.
7. To suggest means to provide better livelihood to handloom weavers through training, HRD and R & D programmes to undertake technological improvements in loom technology, pre and post loom processes to enhance productivity, quality and reduction in fatigue in the 12th plan.
8. To suggest ways and means for preservation, documentation and popularization of traditional skills with special reference to languishing weaves and revival of traditional designs for production and marketing.
9. To suggest measures to recognize and promote innovations in design, technology, tools and other weaving-related spheres.
10. To recommend measures to mainstream handloom education.
11. To suggest ways & means for co-opting the master weavers in the overall developmental process for handloom sector in the 12th plan.
12. To suggest ways and means to synergies the efforts of State and Central Government and specific target group oriented schemes (like Minorities, SC/STs Welfare etc.) of other ministries for upliftment of the handloom sector
13. To asses the 12th Plan outlay for the above measures.
14. To make such other recommendations as may be appropriate.

SUB GROUP ON SOCIAL WELFARE MEASURES AND ENVIRONMENTAL COMPLIANCE

1	Development Commissioner for Handlooms	CHAIRPERSON
2	Ms. Meenu S. Kumar Chief Enforcement Officer , Office of DC(HL)	CO-CHAIRPERSON & CONVENOR
3	Ms. Preeti Kumar, Dy. Development Commissioner (Handlooms)	MEMBER
4	Representative of Planning Commission (VSI Division), Yojana Bhawan, New Delhi	MEMBER
5	Commissioner of Handlooms & Textiles, Govt. of Andhra Pradesh.	MEMBER
6	Commissioner of Handlooms & Textiles, Govt. of West Bengal	MEMBER
7	Commissioner of Handlooms & Textiles, Govt. of Madhya Pradesh	MEMBER
8	Director of Handlooms & Textiles, Govt. of Uttar Pradesh	MEMBER
9	Director of Handlooms & Textiles, Govt. of Assam.	MEMBER
10	Director of Handlooms & Textiles, Govt. of Karnataka	MEMBER
11	Director of Handlooms & Textiles, Govt. of Tamilnadu	MEMBER
12	Director of Handlooms & Textiles, Govt. of Orissa	MEMBER
13	Shri Rahamatullah Ansari, President, All India Handloom Fabrics Marketing Cooperative Society Ltd., Varanasi	MEMBER
14	Representative of PFRDA	MEMBER
15	Ms. Ritu Sethi, Craft Revival Trust, S-4, Khirki Extension, Malviya Nagar, New Delhi 110017	MEMBER
16	Ministry of DoNER, Vigyan Bhawan, New Delhi	MEMBER
17	Representative of GIPSA	MEMBER
18	Sh. M. Mohan Rao, Rashtra Chenetha Jana Samakhya, 14-72, Hastinapuram, Jandrapeta, Chirala – 523165, Prakasham Distt (A.P.) Mobile No.0 9441041266	MEMBER

Terms of Refrence

1. To examine, review and analyze the existing policies, schemes and programmes (including Evaluation Studies) in the 11th Plan in respect of handloom sector with specific reference to Social welfare measures such as health insurance, life insurance, pension schemes etc.
2. To suggest measures for improving the living standard and welfare measures of the handloom weavers and ancillary workers in the 12th Plan by bringing them under Social Security measures like pension, health & life insurance etc and steps to combat occupational health hazards.

3. To review and suggest measures to enhance environmental impact on weaver community.
4. To review & suggest measures to enhance occupational health and safety, including better ergonomics for weavers.
5. To consider launching of the Distress Relief Fund to meet the crisis needs of handloom weavers.
6. To review the efficacy of the ongoing schemes & programmes in the North-East Region and to suggest appropriate policy options for development of handloom sector in that region for the 12th plan .
7. To suggest measures for integration of Information technology, networking to put in place a system of monitoring and evaluation of programmes and schemes and creation of a strong & comprehensive data base for the overall improvement of the handloom sector in the 12th Plan.
8. To suggest ways and means for implementation and expansion of Handloom reservation list of items.
9. To suggest ways & means for co-opting the master weavers in the overall developmental process for handloom sector in the 12th plan.
10. To asses the 12th Plan outlay for the above measures.
11. To make such other recommendations as may be appropriate.

SUB GROUP ON NORTH EASTERN REGION (NER)

1.	Ms. Jasleen Dhamija, C-265, Golf View Apartment, Saket, New Delhi	Chairperson
2.	Ms. Meenu S. Kumar, CEO, Office of DC(HL)	Co-Chairperson & Convenor
3.	Ms. Preeti Kumar Dy. Development Commissioner, Office of DC(HL)	Member
4.	Representative of Planning Commission, Yojana Bhawan, New Delhi	Member
5.	Principal Secretary (Industries), Govt. of Manipur	Member
6.	Secretary (Industries), Government of Mizoram	Member
7.	Director of Handlooms, Govt. of Arunachal Pradesh	Member
8.	Director of Handlooms, Govt. of Assam.	Member
9.	Director of Handlooms , Govt. of Tripura	Member
10.	Director of Handlooms, Govt. of Sikkim	Member
11.	Director of Handlooms, Govt. of Meghalaya	Member
12.	Director of Handlooms, Govt. of Nagaland	Member
13.	Representative of M/o DONER, Vigyan Bhawan Annexe, Maulana Azad Road, New Delhi	Member
14.	Managing Director, NEHHDC, Guwahati	Member
15.	Managing Director, NHDC, Lucknow	Member
16.	Member Secretary, Central Silk Board, Bangalore	Member
17.	Ms. Aditi Ranjan, National Institute of Design, Paldi, Ahmedabad 380 007	Member
18.	Shri Manoj Mishra, Senior Faculty, EDI, Gandhinagar, Gujarat	Member
19.	Director, NIFT, Shillong.	Member
20.	Ms. Yomah Konyak, President, Konyak Ngupuh Shekho Khong, Zakloma Ward, New site colony, Mon- 798621, Nagaland 09436015056, 03869-221457	Member
21.	Ms. Indira Chirom, Designer	Member
22.	Managing Director, ARTFED, Guwahati, Assam	Member
23.	Zonal Director (EAST), Weavers Service Center, Guwahati, Assam	Member
24.	Ms. Sentila Yenger	Member

Terms of Reference

1. To examine and review the existing policies, schemes and programmes (including Evaluation Studies) in the 11th Plan in respect of handloom sector of North Eastern Region (NER) with specific reference to the following:
 - a) Raw Material i.e. Yarn, Dyes & Chemicals.
 - b) Credit flow to individual weavers, master weavers and cooperative societies.
 - c) Looms & Accessories, other infrastructural support such as Worksheds, CFCs, Design Studios, Handloom Parks etc.
 - d) Training, Human Resource Development and Research & Development to meet requirements of handloom sector.
 - e) Distribution, Marketing & Promotion of handloom products, including brand-building.
 - f) Social welfare measures such as health insurance, life insurance, pension schemes etc.
2. To suggest ways and means and strategy to ensure the availability of raw materials i.e. yarn, dyes and chemicals for the handloom sector of NER in the 12th plan.
3. To suggest mechanism for credit flow to individual weavers, master weavers and cooperative societies of NER in the 12th plan.
4. To suggest and develop ways and means to provide looms and accessories, other infrastructural support such as worksheds, CFC, design studios, handloom parks etc. in NER during the 12th plan.
8. To suggest strategy for distribution, marketing and promotion of handloom products of NER including brand-building in the 12th plan.
9. To suggest measures for improving the living standard and welfare measures such as health insurance, life insurance, pension scheme etc. for the handloom weavers and ancillary workers of NER in the 12th plan.
10. To suggest ways & means to provide better livelihood to handloom weavers of NER through training, HRD and R & D programmes to undertake technological improvements in loom technology, pre and post loom processes to enhance productivity, quality and reduction in fatigue in the 12th plan.
11. To identify areas to explore ways for implementing public-private partnership model in NER for sustainable development in the 12th plan.
12. To make assessment of the current models of clustering in the handloom sector in NER & suggest appropriate interventions in the 12th plan for achieving economies of scale, technology upgradation & product improvement.
13. To suggest ways & means for co-opting the master weavers in the overall developmental process for handloom sector in the 12th plan.
14. To asses the 12th Plan outlay for the above measures.
15. To make such other recommendations as may be appropriate.

Annexure-1

Year-wise details of marketing events organized during the year 2007-08 to 2010-11

Sl. No	Name of State	2007-08			2008-09			2009-10			2010-11		
		NHE	SHE	DLE	NHE	SHE	DLE	NHE	SHE	DLE	NH E	SHE	DLE
01	2.	3.	4.	5	6	7	8	9	10	11	12	13	14
01	Andhra Pradesh	-	08	30	-	07	35	01	14	44	2	13	55
02	Arunachal Pradesh	-	-	03	-	-	02	-	-	01	-	-	06
03	Assam	02	07	27	02	13	30	05	22	49	07	18	57
04	Bihar	-	-	-	-	-	-	-	-	-	-	01	05
05	Chhattisgarh	-	-	03	01	03	03	01	04	07	03	03	06
06	Delhi	-	-	08	-	-	-	-	-	03	-	-	08
07	Goa	-	-	-	-	-	-	-	-	-	-	-	-
08	Gujarat	01	-	-	01	-	08	01	-	-	01	01	07
09	Haryana	-	-	08	-	-	02	-	01	03	-	01	05
10	Himachal Prad.	-	-	10	-	-	13	-	02	25	-	02	30
11	J & K	-	-	-	-	-	-	-	-	-	01	01	03
12	Jharkhand	-	-	-	-	-	-	-	-	06	-	-	07
13	Karnataka	01	01	15	01	02	19	01	06	25	01	06	25
14	Kerala	-	01	03	-	03	03	-	02	03	-	02	02
15	Madhya Pradesh	01	01	08	-	-	10	01	03	13	01	02	12
16	Maharashtra	02	03	05	02	05	09	02	06	15	02	02	15
17	Manipur	-	01	01	-	04	05	-	05	05	01	03	10
18	Meghalaya	-	01	03	-	-	07	-	01	04	-	02	05
19	Mizoram	-	02	08	-	02	10	-	-	07	-	03	10
20	Nagaland	01	03	19	04	10	20	06	15	36	06	04	40
21	Orissa	01	01	20	01	01	24	01	01	23	01	03	23
22	Pondicherry	-	-	-	-	-	-	-	-	-			
23.	Punjab	-	-	-	-	-	01	-	-	-			
24.	Rajasthan	01	-	03	01	-	06	01	-	10	01	-	10
25	Sikkim	-	-	02	-	-	02	-	-	03	-	01	03
26	Tamilnadu	01	01	22	01	02	28	01	02	43	01	11	55
27	Tripura	-	-	-	-	01	04	-	-	09	01	04	15
28	Uttarakhand	01	-	03	01	01	08	01	02	10	01	02	10
29	Uttar Pradesh	-	-	30	01	-	36	01	-	48	01	08	48
30	West Bengal	-	01	16	-	02	16	-	02	19	-	09	22
31	NHDC	-	09	-	-	12	-	-	16	-	01	23	-
32	ACASH	01	06	-	01	06	-	03	13	-	05	19	-
33	Craft Mela			07			07			07	04		
34	Others (NEHHDC)	-	-	-	-	-	-	-	-	-		01	-
	Total	13	46	254	17	74	308	26	117	418	37+4	145	494

List of functional Urban Haats

Sl.No.	State	Name of Urban Haat
1.	Gujarat	(i)Ahmedabad
2.		(ii)Bhuj
3.	Uttar Pradesh	(i)Agra
4.		(ii)Varanasi
5.	Orissa	(i)Bhubaneswar
6.		(ii)Puri
7.		(iii)Konark
8.	Haryana	Karnal
9.	Jammu	(i) Jammu
10.		(ii) Srinagar
11.	Andhra Pradesh	Tirupathi
12.	Madhya Pradesh	Gohar Mahal
13.	Rajasthan	(i)Jodhpur
14.		(ii) Jaipur
15.	Chhatisgarh	Raipur
16.	Karnataka	Mysore
17.	Maharashtra	Navi Mumbai
18.	Delhi	Pitampura
19.		Dilli Haat-II
20.	Nagaland	Dimapur

List of Urban Haats under progress

Sl.No.	Name of State	Name of Urban Haat
1.	Rajasthan	Ajmer
2.	Uttar Pradesh	(i) Bareilly
3.		(ii) Meerut
4.		(iii) Rampur
5.		(iv) Ayodha
6.	Tamil Nadu	(i) Chennai
7.		(ii) Kanyakumari
8.	Madhya Pradesh	Indore
9.	Karnataka	Mangalore
10.	Jharkhand	Hazaribagh
11.	Tripura	Agartala
12.	West Bengal	Durgapur
13.		(i) Salt Lake
14.		(ii) Shantiniketan
15.	Gujarat	Surat
16.	Manipur	Imphal

Annexure-4

List of handloom products for which financial assistance has been given by this office to register under the Geographical Indications of Goods (Registration & Protection) Act 1999.

SN	State	Items
1	Andhra Pradesh	1. Narayanpet 2. Siddipet Gollabama 3. Mangalagiri 4. Venkatagiri sarees
2	Orissa	1. Sambalpur Tie & Dye 2. Nuapatna Tie & Dye 3. Habaspuri Design 4. Bomkai Design 5. Posapally design 6. Khandua Nuapatna 7. Berhampur Kumbha Sarees (silk) 8. Dhalapathar Temple Design fabrics.
3	West Bengal	1. Santipuri saree 2. Tangail saree 3. Tangail Jamdani saree 4. Dhaniakhali saree 5. Baluchari saree 6. Korial saree 7. Garad saree 8. Muslin
4	Gujarat	1. Silk Patola sarees - single Ikat 2. Woollen acrylic shawl – Kutch (Masharoo)
5	Karnataka	1. Guledgud Khana 2. Udupi saree.
6	Uttar Pradesh	1. Banarasi Sarees 2. Banarasi Brocades.
7	Madhya Pradesh	1. Maheshwari handloom items
8	Kerala	1. Kasargod saree 2. Kuthampully saree 3. Chendamangalam saree 4. Balaramapuram saree 5. Kannur Handloom Furnishing
9	Manipur	1. Wangkbei Phee 2. Safi Lamphee /Sami Lamdmee 3. Moitang Pee.

Physical achievements made under the Marketing and Export Promotion Scheme during 2007-08 to 2010-11

Annexure-5

SN	Items	2007-08 (Scheme approved in Nov. 07)		2008-09		2009-10		2010-11	
		Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
1	National Handloom Expos	10	13	10	17	20	26	30	37
2	Special Handloom Expos	25	46	25	74	80	117	150	145
3	District Level Events (DLEs)	300	247	300	301	400	411	500	494
4	Craft Melas(including Master creation)	8	7	8	7	8	7	7	04
5	Setting up of Urban Haats	2	2	3	3	2	0	2	05
6	Geographical Indication Act	20	20	20	12	20	0	20	03
7	Export Projects	15	1	15	14	15	19	15	03
8	Participation in international fairs	10	12	10	16	10	17	10	21

Financial achievement under the Marketing and Export Promotion Scheme during 2007-08 to 2010-11

Annexure-6

	2007-08 (Rs. in Crore)		2008-09 (Rs. in Crore)		2009-10 As on 31/3/10 (Rs. in Crore)		2010-11 As on 31/3/2011	
	BE	Actual Exp.	BE	Actual Exp	BE	Actual Exp	B.E./R.E.	Actual expdr. incurred
General States (including capittal expenditure)	32.00	20.42	40.00	39.94	40.00	40.00	42.00 + 4.00	45.989
NER States	3.00	3.00	10.00	5.06	10.00	9.60	15.00	12.599
Total	35.00	23.42	50.00	45.00	50.00	49.60	61.00	58.588
Sales generated	Rs.146.32 crores(domestic) Export Orders booked: Rs.10.39 crore Enquiries generated: Rs.69.71 crore		Rs.220.87 crores (domestic) Export orders booked: Rs.18.03 crore. Enquires generated: Rs.69.56 crore		Rs.340.00 crores Export orders booked: Rs.24.04 crore Enquires generated: Rs.59.68 crore.		Rs.410.19 crore Export orders booked: Rs.35.37 crore Enquiries generated: 69.68 crore	
No. of beneficiaries	4.83 lakh weavers		6.13 lakh weavers		9.24 lakh weavers		12.37 lakh weavers	

Annexure-7**Activity-wise Financial requirement during the 12th Five Year Plan for
Marketing and Export Promotion Scheme**

Sl.No.	Name of activities	Number Per year	Financial requirement per activity (Rs. In lakh)	Total requirement per year (Rs. In lakh)	Grant total (for the entire 12 th Plan) Rs. In lakh
1.	Organization of Mega Handloom Expo	2	Rs.1500.00	2x1500=3000	15000.00
2.	National Handloom Expo	30	Rs.50.00	30 x 50=1500.00	7500.00
3.	Special Handloom Expo (National level)	70	Rs.30.00	70 x 30=2100.00	10500.00
4.	Special Handloom Expo(Regional level)	15	Rs.20.00	15 x 20=300.00	1500.00
5.	Special Handloom Expo (State level)	60	Rs.12.00	60 x 12=720.00	3600.00
6.	Special Handloom Expo (NER)	25	Rs.15.00	25 x 15=375.00	1875.00
7.	District Level Events	500	Rs.4.00	500 X 4=2000.00	10000.00
8.	Craft Melas + Master creation	6	Rs.15.00	6 x 15=90.00	450.00
9.	Participation in Local mandis/Haats	50	Rs.5.00	50x5.00=250.00	1250.00
10.	Urban Haat(Metros & Big cities)	5	Rs.175.00	5x175=875.00	4375.00
11.	Urban at Commercially potential cities/ State level cities	20	Rs.80.00	20x80=1600.00	8000.00
12.	Marketing complex	1	Rs.4000.00	1x3200.00=3200.00	16000.00
13.	Retail outlets(Single	10	Rs.500.00	10x500=5000	25000.00

	brand large size)				
14.	Retail outlets (single brand small size)	10	Rs.150.00	10x150=1500	7500.00
15.	Web portal for e-marketing with designer & Marketing consultant				1000.00
16.	Publicity & Misc. activities		Rs.2000.00	1x2000=2000.00	10000.00
17.	Handloom Mark	1	Rs.1200.00	1 x1200=1200.00	6000.00
18.	Registration under G I Act + Corpus fund(Rs.5.00 crore)	10	Rs.12.00	10 x 12=120.00	1100.00
20. (a)	Marketing Incentive				100000.00
(b)	Special Incentive on Govt. purchases				30000.00
21.	Strengthening of H/L Organisations				10000.00
22.	Export Projects	10	Rs.21.00	10 x 21=210.00	1050.00
23.	Participation in Intl. exhibitions	25	Rs.70.00	25 x 70=1750.00	8750.00
24.	Organization of Reverse BSM	1	Rs.50.00	1x50=50.00	250.00
25.	Setting of Design studios	2	Rs.100.00 80:20	2x80=160.00	800.00
26.	Setting up of Display-cum- CFC and Quality Testing Unit	2			5000.00
26.	Publicity on awareness on quality awareness	10	Rs.5.00	10x5.00=50.00	250.00
	Total				286750.00 or Rs.2867.50 crore

Names of 20 Clusters sanctioned under IHCDs

Sl. No.	Name of State	Clusters	Implementing Agency
1.	Andhra Pradesh	Chirala	Andhra Pradesh State Handloom Weavers Cooperative Society (APCO), Hyderabad.
		Madhavaram	
2.	Assam	Bijoy Nagar	State Institute of Rural Development (SIRD) ,Assam
3.	Bihar	Bhagalpur	Asian Society for Entrepreneurship Education & Development (ASEED), New Delhi
4.	Himachal Pradesh	Kullu	H.P. State Handicraft and Handloom Corporation Ltd., Shimla,
5.	Karnataka	Gadag	Karnataka Handloom Development Corporation Ltd. , Bangalore
6.	Kerala	Trivendrum	Kerala State Handloom Development Corporation Ltd.
7.	Madhya Pradesh	Chanderi/ Gwalior	Entrepreneurship Development Institute of India (EDI), Ahmedabad
8.	Manipur	Imphal	Indian Institute of Entrepreneurship, Guwahati
9.	Orissa	Sonepur	Entrepreneurship Development Institute of India (EDI), Ahmedabad
		Bargarh	Orissa State Handloom Weavers Coop. Society Ltd., Bhubaneswar
10.	Tamil Nadu	Thiruvannamalai	Tamilnadu Handloom Weavers Coop. Society (CO-OPTEX) Ltd., Chennai
		Kurinjipadi	
		Trichy	Textiles Committee, Mumbai
11.	Uttar Pradesh	Barabanki	National Institute for Micro, Small and Medium Enterprises (NIMSME), Hyderabad
		Mubarakpur	
		Bijnore	Textiles Committee, Mumbai
		Varanasi	Entrepreneurship Development Institute of India (EDI), Ahmedabad
12.	West Bengal	Sumdragarh - Dhatrigram	National Handloom Development Corporation Ltd., Lucknow
		Shantipur (Nadia)	Textiles Committee, Mumbai

Type and number of Hard interventions made for technological up-gradation in Clusters/Groups

S. No.	Hard Interventions	Under IHCD (20 clusters of phase I)	Under IHDS (541 clusters and 1788 Group approach projects)	Total
1	Number of New Looms provided	175	35,356	35,531
2	Number of New Jacquards provided	1,432	14,145	15,577
3	Number of New Dobbies provided	170	14,061	14,231
4	Number of New Pneumatic systems provided	25	-	25
5	Number of New Pneumatic Loom provided	1	-	1
6	Number of Motorized Pirn/Bobbin winding Machines provided	964	-	964
7	Number of Take-up & Let of motions provided	1,406	-	1,406
8	Number of Warping machines provided	10	-	10
9	Number of Healds provided	6,529	74,863	88,858
10	Number of Reeds provided	7,100		
11	Number of Warp Beams provided	283		
12	Number of Fabric Beams provided	83		
13	Number of Loom modifications	400	-	400
14	Number of Sprayers provided for sizing	37	-	37
15	Number of Reeling Machines provided	5	-	5
16	Number of Manual Charkhas provided	25	-	25
17	Number of Harness provided	25	-	25
18	Number of Bobbins provided	25	-	25
19	Number of Shuttles provided	25	-	25
Total		18,720	1,38,425	1,57,145

**Statement showing State-wise number of Clusters and Group Approach
Projects sanctioned during 2007-08 to 2010-11 under IHDS.**

Sl. No.	Name of the State	Clusters				Group Approach		
		2007-08	2008-09	2009-10	2010-11	2008-09	2009-10	2010-11
General								
1	Andhra Prd.	26	11	2	13	127	135	90
2	Bihar	9	5			6		
3	Chhattisgarh	5	3		2	6		24
4	Delhi	0		1				
5	Gujarat	5	4					
6	Haryana	0			1		12	9
7	Himachal Prd.	2		2	3	7	33	17
8	Jammu & Kashmir	0	8		2		11	6
9	Jharkhand	10	11	5	9	23	19	48
10	Karnataka	13	5		5	18		
11	Kerala	19	5			21		
12	Madhya Prd.	10	1	4	2	7		
13	Maharashtra	0			6			54
14	Orissa	16	7	8	5	46	30	16
15	Punjab	0						
16	Rajasthan	2	0	1	3	6		10
17	Tamilnadu	27	10		12	74	45	152
18	Uttar Pradesh	21	14	8	7	76	58	200
19	Uttarakhand	5	1		2	22		22
20	West Bengal	25	9		5	36		29
	Total	195	94	31	77	475	343	677
NER								
1	Arunachal Prd.	8	4	3		20	11	14
2	Assam	10	5		12	14	14	33
3	Manipur	19	14		6			
4	Meghalaya	4	1	2		3	14	14
5	Mizoram			1	1		13	23
6	Nagaland	5	9	10	5	4	16	11
7	Sikkim	0				15		15
8	Tripura	10	4	5	6	17		42
Total		56	37	21	30	73	68	152
Grand Total		251	131	52	107	548	411	829

Annexure -11**The State-wise supply of yarn under MGPS during the year 2007-08, 2008-09 2009-10 and 2010-11 and state-wise position of operational yarn depots.**

(Qty.in lakh kgs. & Value in lakh Rs.)

S. No	Name of the States	2007-2008		2008-09		2009-10		2010-11		2011-12 (As on July, 2011)		Yarn Depot (As on July 2011)
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	
1	Andhra Pradesh	34.83	4679.9	47.132	5204.29	54.487	6813.13	42.431	7528.55	13.723	3173.27	96
2	Arunachal Pradesh	0.076	16.43	0.056	12.84	0.119	26.14	0.060	18.26	0.013	4.11	10
3	Assam	0.498	124.01	0.506	196.13	1.103	351.45	0.633	491.68	0.149	68.75	42
4	Bihar	4.577	299.95	4.912	433.21	2.998	358.85	1.417	235.17	0.046	12.81	5
5	Chhattisgarh	6..326	876.67	10.592	917.13	10.144	1233.96	13.664	2189.30	7.957	1537.81	6
6	Delhi	0	0	0.004	0.33	0.004	0.42	0.016	2.36	0.000	0.00	1
7	Gujarat	0.146	31.78	0.72	96.6	1.441	192.55	0.194	78.01	1.591	341.81	6
8	Haryana	136.87	8130	218.52	14180.53	465.340	30904.83	540.865	37560.86	111.042	8969.17	51
9	Himachal Pradesh	0.017	7.44	0.46	297.74	0.577	358.44	2.978	525.44	3.325	291.76	8
10	Jammu & Kashmir	0.107	25.86	0.09	43.19	0.341	64.16	7.666	480.61	2.945	184.23	4
11	Jharkhand	0.582	60.27	0.868	102.51	0.816	226.32	0.561	267.02	0.656	208.54	7
12	Karnataka	13.519	1647.2	16.043	2237.66	15.609	2429.89	13.377	2814.24	4.923	1269.06	19
13	Kerala	81.025	3207.6	67.005	3182.01	68.227	3760.09	60.167	4123.66	19.495	1314.57	30
14	Madhya Pradesh	2.654	326.45	1.598	233.77	4.308	620.76	2.540	758.33	1.364	370.89	13
15	Maharashtra	0.574	51.56	0.726	90.52	0.780	106.31	0.730	126.96	0.183	34.78	4
16	Manipur	0.317	72.33	0.468	112.87	0.546	163.73	0.487	180.30	0.332	124.88	37
17	Meghalaya	0.048	25.63	0.114	32.23	0.035	14.57	0.052	20.98	0.022	9.18	6
18	Mizoram	0.723	159.94	0.708	162.93	0.991	231.33	0.932	267.45	0.211	66.87	7
19	Nagaland	0.07	13.12	0.079	16.63	0.081	19.15	0.053	15.45	0.012	3.69	10
20	Orissa	0.671	319.42	1.049	444.57	1.540	665.22	1.113	735.96	0.291	197.18	30
21	Pondicherry	1.566	186.16	2.069	252.7	2.456	332.53	1.812	305.72	0.334	70.12	2
22	Punjab	0.01	0.49	0.02	1.03	14.557	814.48	37.177	2081.73	6.069	330.18	2
23	Rajasthan	1.335	53.55	1.255	53.96	1.610	85.37	2.229	118.20	0.399	23.95	4
24	Sikkim	0	0	0	0	0.013	2.57	0.000	0.00	0.006	1.97	1
25	Tamil Nadu	334.02	31122	422.695	45061.36	385.779	43245.43	337.523	53056.53	59.968	12494.21	187
26	Tripura	0.865	103.63	0.513	99.14	0.730	130.89	0.421	116.63	0.036	8.64	14
27	Uttar Pradesh	50.484	3887.6	53.273	5256.62	42.996	4737.88	34.603	4465.18	3.485	692.19	92
28	Uttaranchal	0.051	3.95	0.051	5.09	0.118	12.29	0.095	10.63	0.090	10.17	5
29	West Bengal	6.246	872.6	3.594	649.99	3.214	808.41	2.164	979.87	0.498	287.75	51
GRAND TOTAL		678.2	56305.2	855.116	79377.57	1080.959	98711.15	1105.962	119555.08	239.165	32102.54	750

Annexure-12**Progress of 20 Clusters Sanctioned under Integrated Handloom Clusters Development Scheme (IHCDS): Status of SHGs Formation and Credit Linkage Till March 2011**

Sl.No.	Name of the Cluster	SHGs formed (Nos.)	Weavers covered	Bank A/c Opened	Credit Amount (Rs lakhs)
1	BHAGALPUR	145	1907	140	40.75
2	GADAG	45	602	15	2.80
3	TRIVENDRUM	97	1347	97	No. linkage
4	BIJOYNAGAR	215	1521	207	414.00
5	KULLU	158	3148	130	14.00
6	KURINJIPADI	58	878	58	24.80
7	IMPHAL	199	2780	178	31.80
8	THIRUVANAMALIA	68	700	50	11.80
9	BARGARH	104	1304	75	244.00 *
10	BURDWAN	150	2046	150	76.15
11	MUBARAKPUR	70	758	65	No. linkage
12	SHANTIPUR NADIA	185	2730	182	33.32
13	CHIRALA	146	1481	146	45.90
14	SONEPUR	94	1080	72	76.47
15	BARABANKI	51	810	49	9.10
16	TRICHY	56	710	25	1.20
17	CHANDERI/GWALIOR	200	1959	186	26.71
18	MADHAVARAM	50	500	50	14.00
19	BIJNORE	40	540	40	No. linkage
20	VARANASI	145	1731	135	102.23
GRAND TOTAL		2276	28532	2050	1169.03

* 75 SHGs sanctioned loan worth Rs. 140.00 lakh. In addition to that 455 number of individual weavers sanctioned of Rs. 104.50 lakh under the scheme "Swarojgari Credit Card (SCC) to individual weavers" of Govt. of India.

Source: Progress Report (2006 -2011), Agenda for the Apex Committee Meeting, o/o Development Commissioner (Handloom)

Annexure-13

Methodology for Working out of Credit Requirement for the Handloom Sector during 12th Plan

Type of Yarn	Yarn uses pattern		Loom uses pattern (lakh)			Production (lakh sq. mtrs) *		Yarn Requirement (lakh Kg)		Requirement of Money (Rs. crore)			Conversion ratio (mtrs into kg)
	Non-NER	NER	Non-NER	NER	Rate	Non-NER	NER	Non-NER	NER	Non-NER	NER	Total	
	%	%	No of looms	No of looms	(Rs/kg)								
Cotton (1-20)	0.06	0.04	0.44	0.71	200	1778	1700	148	142	296.36	283.34	579.69	12
Cotton (21-40)	0.24	0.26	1.92	4.19	250	7836	10056	653	838	1632.45	2095.08	3727.53	12
Cotton (41-80)	0.22	0.24	1.75	3.75	375	7145	9007	510	643	1913.85	2412.66	4326.51	14
Cotton (Above 80)	0.21	0.20	1.62	3.20	425	6596	7673	550	639	2336.07	2717.52	5053.59	12
Viscose & blends	0.02	0.02	0.14	0.29	120	556	697	46	58	55.64	69.65	125.29	12
Muga Silk	0.02	0.01	0.12	0.24	3000	484	566	37	44	1115.98	1305.53	2421.51	13
Eri silk	0.01	0.01	0.06	0.12	2500	261	282	20	22	502.58	542.47	1045.05	13
Mulberry silk	0.02	0.00	0.18	0.07	2500	739	168	57	13	1421.52	323.80	1745.32	13
Other silk	0.03	0.01	0.20	0.18	2500	828	435	64	33	1592.15	836.70	2428.85	13
Wool	0.13	0.15	1.02	2.37	450	4146	5679	319	437	1435.21	1965.74	3400.95	13
Zari	0.00	0.00	0.01	0.01	450	30	31	2	2	10.24	10.80	21.04	13
Polyester & blends	0.05	0.05	0.35	0.82	120	1441	1958	120	163	144.10	195.77	339.87	12
Jute	0.00	0.00	0.04	0.02	100	147	52	18	6	18.39	6.48	24.87	8
Total	1.00	1.00	7.84	15.96	12990	31987	38304	2545	3041	12474.53	12765.54	25240	

* Production is worked out assuming working days of 340 and loom Productivity of 12 mtrs for the rest of the country and 300 days & loom Productivity of 8 mtrs for NER.

Details of Weavers Service Centres, having Own Building or Housed in rented Buildings

Sr. No.	Name of WSC/IIHT	Owned/Rental	Remarks
WEAVERS' SERVICE CENTRE(NORTH ZONE)			
1.	Delhi	State Govt. (Rent Free)	-
2.	Varanasi	Own buidling	Functioning in the premises of IIHT, Varanasi. Admn. Approval for construction of new building within the premises of IIHT, Varanasi has already been given at the cost of Rs. 23.18 crore.
3.	Srinagar	State Govt. (Rent Free)	Functioning in State Government (Rent free bldg.) An amount of Rs. 2.00 crore has been released in March 2010 to Srinagar Development Authority for acquiring of land.
4.	Chamoli	Own building	-
5.	Meerut	Own building	-
6.	Panipat	State Govt. (Rental)	Construction of new own at the approved cost of Rs. 2.48 crores is under construction and Rs. 1.50 crore released in favour of CPWD, Karnal.
7.	Jaipur	Own building	-
EAST ZONE			
8.	Guwahati	Own building	Functioning in the premises of IIHT, Guwahati. Payment for land is already made but allotment of land is pending till date.
9.	Agartala	Own building	-
10.	Imphal	Own building	-
11.	Kolkata	Own building	-
12.	Bhagalpur	State Govt. (Rental)	½ Acre Land purchased at the cost of Rs. 71.25 lakh for construction of office building for WSC, Bhagalpur. Possession of land is pending.
13.	Bhubaneswar	Own building	-
SOUTH ZONE			
14.	Chennai	Central Govt. (Estate/Rent Free)	-
15.	Kancheepuram	Own building	-
16.	Bangalore	Own building	-
17.	Kannur	Private Rental	Land purchased worth Rs.23 Lakhs. The Lay out Plan and Preliminary estimate of Rs. 3,65,59,700/- has already been approved by DC (HL). Proposal for release of Rs. 50.00 lakh has already been released.

18.	Vijayawada	Own building	-
19.	Hyderabad	Own building	-
20.	Salem	Own building	Functioning in the premises of IIHT, Salem
WEST ZONE			
21.	Mumbai	Private (Rental)	-
22.	Ahmedabad	Private (Rental)	-
23.	Indore	State Govt. (Rental)	-
24.	Nagpur	Central Govt. (Estate)(Rent Free)	-
25.	Raigarh	Private (Rental)	Land has already been provided by State Govt. free of cost. Construction of boundary wall completed.
INDIAN INSTITUTES OF HANDLOOM TECHNOLOGY			
26.	Varanasi	Own building	Admn. Approval for construction of new building of IIHT, Varanasi has already been given.
27.	Jodhpur	Own building	-
28.	Salem	Own building	-
29.	Guwahati	Own building	-
30.	Bargarh	State Govt. building (rent free)	Land measuring Approx.27 acre has been allotted, free of cost (out of 33.02 acre). Rs. 19.05 lakh has already been released for construction of building

**Diversified Handloom Development Scheme (DHDS): Outlay and
Expenditure during 11th Plan**

(Rs. In crore)

S. No.		11 th Plan (2007-12)	Expenditure				2011-12	
			2007-08	2008-09	2009-10	2010-11	BE	Exp. up to 5.8.11
1.	Design Exhibition cum Dyeing workshop	1.21	0.24	0.22	0.25	0.30	0.30	0.10
2.	Training of WSC staff	0.42	0.04	0.10	0.12	0	0.018	0
3.	IIHT,Bargarh (OC)	0	0	0.10	1.263	0.18	0.20	0.108
4.	IIHT,Bargarh	39.79	0	0.77	5.00	1.09	1.335	0.361
5.	Infrastructure for WSCs/IIHTs	14.63	3.13	2.50	0.98	10.35	19.10	10.00
6.	NCTD	3.42	0.22	0.80	0.81	0.85	0.85	0.150
7.	J&K Wool Project	0.89	0	0.70	0.10	1.00	0.75 0.547	0
8.	R&D	0.96	0.14	0.20	0.15	0.14		
9.	WSCs in Central Sector	0.06	0	0.02	0.25	0.00		
10.	Continuation of IIHT, Jodhpur	0.55	0.55	Transferred to Non-plan since 2008-09				
11.	Continuation of WSC, Srinagar	0.33	0.33					
12.	IIHT in State Sector (Champa)	1.05	0	0.01	0	0.00	1.00	0
13.	New IIHTs/WSC under State Sector	3.06	0	0	0	0	0	0
14.	Handloom Census/ Identity Cards	20.36	4.42	10.85	4.75	3.86	0	0
Total		86.73	9.07	16.25	13.67	17.77	24.10	10.719

Performance of Weavers Service Centres/Indian Institute of Handloom Technology during 11th Plan

A. Weavers Service Centres

Sl no	Detailed of actions		2007-08	2008-09	2009-10	2010-11	2011-12	Total
1	No of Paper designs prepared	Computer	1903	2653	2229	2275	2327	11387
		Manual	4106	3525	3328	3192	2440	16591
		Total	6009	6178	5557	5467	4767	27978
2	No of Cloth samples developed	Woven	3015	2815	2514	2348	2046	12748
		Printed	1187	1076	1455	1164	1180	6062
		Total	4202	3891	3979	3512	3226	18810
3	No of new shades developed	Synthetic	1545	1730	1608	2406	1630	8919
		Natural	452	354	693	388	480	2367
		Total	1997	2084	2301	2794	2110	11286
4	No of persons trained	Below 4 month	930	881	975	1121	992	4899
		4 month	263	286	198	182	148	1077
		IHDS etc.	2849	1293	3180	3481	6880	17683
		Total	4042	2460	4353	4784	8020	23659
5	No of technical assistance rendered		3884	2568	3016	3563	4185	17176
6	No of Design Exhibition cum Dyeing Workshop conducted		201	211	232	282	275	1201
7	No of R & D projects undertaken		1	0	2	0	1	4
8	No of languishing handloom craft revived							
9	No of exhibitions conducted (NHE/SHE/DLE/ATE etc.)		0	4	7	25	23	59

B. Indian Institute of Handloom Technology

Sl. no	Detailed of actions	2007-08	2008-09	2009-10	2010-11	2011-12	Total
1	No of Diploma students admitted	221	248	203	260	255	1187
2	No of Post-diploma students admitted	23	23	18	10	28	102
3	No of persons trained	30	30	30	30	30	150
4	No of R & D Projects undertaken	-	-	-	1	1	2
5	No of workshop/seminar conducted	1	1	1	2	2	7

Model of Staff pattern in WSC/IIHT

Sl.No	Name of the post	Nos.
1	Zonal Director	1
2	Technical Officers	2
3	Non-Technical Officer	1
4	Office Supdt./Assistant	2
5	Stenographer Gr.II	1
7	U.D.Clerk	3
8	L.D.Clerk	3
9	Multi-tasking staff	7
10	Tech. Supdt/PMCD	3
11	Senior Weaver	2
12	Junior Weaver	4
13	Senior Assistant	1
14	Junior Assistant (Weaving)	2
15	Attendant (Weaving)	4
16	Tech. Supdt. (Processing)	1
17	Master Dyer cum Master Printer	1
18	Senior Printer	1
19	Junior Printer	1
20	Jr. Assistant (Processing)	1
21	Attendant (Processing)	2
22	Textile Designer	4
23	Photographer	1
24	Carpenter	1
25	Staff Car Driver	1

Annexure-18**Mandate recommendations for Weavers Service Centres/Indian Institute of Handloom Technology for 12th Plan****A. Weavers Service Centres**

Sl no	Detailed of actions		2012-13	2013-14	2014-15	2015-16	2016-17	Total
1	No of Paper designs to be prepared	Computer	2475	2518	2571	2605	2659	12828
		Manual	2837	2864	2826	2842	2894	14263
		Total	5312	5382	5397	5447	5553	27091
2	No of Cloth samples to be developed	Woven	2230	2262	2201	2325	2354	11372
		Printed	1282	1235	1312	1327	1325	6481
		Total	3512	3497	3513	3652	3679	17853
3	No of new shade to be developed	Synthetic	1241	1291	1279	1352	1369	6532
		Natural	711	718	713	741	721	3604
		Total	1952	2009	1992	2093	2090	10136
4	No of persons to be trained	Crashed course	910	937	975	1026	1045	4893
		Training of Trainer	1500	700	600	500	400	3700
		1 yr. special course	100	100	100	100	100	500
		Under IHDS	7047	7462	6833	6684	6400	34426
		Total	9557	9199	8508	8310	7945	43519
5	No of technical assistance to be rendered		3632	3695	3748	3792	3836	18703
6	Workshop/Awareness programmes		300	300	300	300	300	1500
7	No of R & D projects to be undertaken		5	5	5	5	5	25
8	No of languishing handloom craft to be revived		4	4	4	6	6	24
9	Annual show		12	12	12	12	12	60
10	No of exhibitions to be conducted (NHE/SHE/DLE/ATE)		22	22	23	23	24	114

B. Indian Institute of Handloom Technology

Sl. no	Detailed of actions	2012-13	2013-14	2014-15	2015-16	2016-17	Total
1	No of Diploma students to be admitted at Jodhpur, Guwahati and Bargarh	150	150	150	150	150	750
2	No of Degree students to be admitted at Varanasi and Salem	100	100	100	100	100	500
3	No of persons to be trained under 4 month Short Term course	100	100	100	100	100	500
4	No of persons to be trained under ISDS and other schemes	250	250	250	250	2250	1250
5	No of R & D Projects to be undertaken	2	2	2	2	2	10
6	No of workshop/seminar to be conducted	7	7	7	7	7	35
7	No of seminars to be attended	2	2	2	2	2	10

Annexure-19**Proposed Outlay for Training, HRD and R & D for 12th Plan**

Sl. No.	Name of component	2012-13	2013-14	2014-15	2015-16	2016-17	Total (crore)
1	Skill development	51.00	66.00	75.00	78.00	82.50	352.50*
2	Strengthening of Existing WSCs/IIHTs						
a	Construction of own building	42.00	40.00	30.00	16.00	22.00	150.00
b	Setting up of new WSCs	7.00	7.00	7.00	7.00	7.00	35.00
c	Infrastructure on machinery	7.50	8.00	7.00	7.00	6.50	36.00
d	New IIHTs under Central Sector	5.00	10.00	20.00	25.00	20.00	80.00
e	IIHTs under State sector	16.00	16.00	16.00	16.00	10.00	74.00
3	NCTD	1.20	1.20	1.20	1.20	1.20	6.00
4	J & K Project	5.00	5.00	5.00	-	-	15.00
5	R & D	1.40	1.40	1.40	1.40	1.40	7.00
6	Orientation Training of WSC/IIHT staff	0.20	0.20	0.20	0.20	0.20	1.00
7	One time assistance for Design and Product development	0.50	1.00	1.00	-	-	2.50
8	Training to Master Trainer & EDP	1.82	1.34	1.28	1.22	1.16	6.82
9	Introduction of Degree course	18.00	18.00	12.00	12.00	10.00	70.00
10	Revival and documentation of languishing handloom crafts	3.50	3.50	3.50	3.50	3.50	17.50
11	Establishment of 5 regional textile museums	10.00	20.00	10.00	10.00	10.00	60.00
12	Innovative ideas like setting up chair in University	2.00	3.00	4.00	5.00	6.00	20.00
13	Other Activities						
i)	Books and periodicals	1.25	1.25	1.25	1.00	1.00	5.75
ii)	Visit to national and international exhibitions	0.40	0.40	0.40	0.50	0.50	2.20
iii)	Workshop/ seminar/ Market research/ website	0.40	0.35	0.35	0.35	0.35	1.80
iv)	Publicity/Annual show/ awareness prog.	3.00	3.00	3.00	3.00	3.00	15.00
	Total	177.17	206.64	199.58	188.37	186.31	958.07*

Note: *Rs. 352.5 crore required for skill development will be met from Integrated Skill development Scheme of Ministry of Textiles., hence net fund requirement is Rs. 605.57 crore.

Total cost implication of all proposed interventions

Sl. No.	RECOMMENDATIONS	Financial implication (per year)	Financial implication (in 05 years)
1.	Raw material Fair and BSM (through NHDC)	@ Rs. 10.00 lakh p.a.	Rs. 50.00 lakh
2.	Mercerizing unit in PPP mode	@ Rs. 1.00 crore p.a.	Rs. 5.00 crore
3.	Quality Dye units in PPP mode	@ Rs. 1.00 crore p.a.	Rs. 5.00 crore
4.	Training in credit and bank linkage through SEWA	@ Rs. 50.00 lakh per year	Rs. 1.00 crore for two years
5.	Common worksheds	@ Rs. 50.000/- per bnfcry x 500 wvrs x 8 states	Rs. 22.00 crore
6.	Apparel Training Institute	@ Rs. 1.00 crore per year plus scholarships of Rs. 50 lakh for 10 wvrs.	Rs. 3.50 crore (under DHDS)
7.	International exposure visits (02 per year)	@ Rs. 5.00 lakh for 102 visits per year	Rs. 50.00 lakh
8.	BSM with international buyers in PPP mode	@ Rs. 50.00 lakh per year	Rs. 2.50 crore
9.	Conference	@ Rs. 7.00 lakh per year	Rs. 55.00 lakh
10.	R&D in HL technology for NER	@ Rs. 50.00 lakh per year	Rs. 2.50 crore
11.	Marketing initiatives in metropolitan cities	@ Rs. 1.00 crore per year	Rs. 5.00 crore
12.	Fashion shows	@ Rs. 50.00 lakh per year	Rs. 2.50 crore
13.	Cultural Tourism	@ Rs. 1.00 crore per year	Rs. 5.00 crore
14.	Honouring master weavers/ Museum Shops	@ Rs. 1.00 crore per year	Rs. 5.00 crore (under MEPS)
15.	Opening new institutes/ strengthening existing	@ Rs. 2.00 crore per year	Rs. 10.00 crore (DHDS Scheme)

	IIHT/WCS; Research centers;		
16.	Technical training to Eri/Muga farmers; CFC for loom/post loom activities; library and documentation	@ Rs. 3.00 crore per year	Rs. 15.00 crore
17.	Brand promotion of Eri and Muga silk and GI registration of NER products.	@ Rs. 1.00 crore per year	Rs. 5.00 crore
18.	Minimum Economic Size (MES) Commercial Units		Rs. 63.00 crore in two years
19.	Corpus for Margin money for MES	@ Rs. 1.00 crore per year	Rs. 5.00 crore
20.	Design and Marketing Consultants for NER in MES.		Rs. 2.00 crore
21.	Freight reimbursement	@ Rs. 90.00 lakh p.a.	Rs. 4.50 crore (MGPS Scheme)
22.	Service charges to NHDC	@ Rs. 75.00 lakh p.a.	Rs. 3.75 crore (MGPS Scheme)
23.	Depot operational cost and capital expenditure	@ Rs. 80.00 lakh p.a.	Rs. 4.00 crore (MGPS Scheme)
GRAND TOTAL			Rs. 152.00 crore *

* Excluding the components at Sl. No. 6, 14, 15, 21, 22, 23 as they may have been covered by the Sub-Groups discussing the recommendations on the specific Schemes i.e. IHDS/MGPD/Marketing and Promotion Scheme/Infrastructure Development under DHDS Schemes.