

Handlooms, Handicrafts, Textiles and Khadi Department

HANDLOOMS AND TEXTILES

POLICY NOTE FOR THE YEAR 2007-08

1. INTRODUCTION

The Handloom, Powerloom, Spinning, Processing, Garment and Hosiery are the various sectors of Textile industry. The Textile industry plays a vital role next to agriculture in providing large scale employment to the rural masses in the State. The Textile Industry contributes substantially to the State's economy, besides earning considerable foreign exchange.

The primary objective of the Department of Handlooms and Textiles is to promote the harmonious growth of Handloom, Powerloom and other Textile Sectors and to strive for the welfare of all concerned particularly the weavers and the textile workers.

The Commissioner of Handlooms and Textiles is the "Functional Registrar" for the Handloom and Powerloom Weavers' Cooperative Societies and other Cooperative Institutions functioning under the Department of Handlooms and Textiles in the State and is vested with powers delegated under the Tamil Nadu Cooperative Societies Act 1983 and Rules 1988.

The Commissioner of Handlooms and Textiles also function as the "State Textile Authority" and as such has a general responsibility to facilitate the smooth functioning of the Spinning and Textile Mills, processing units, Hosiery units, Handlooms and Powerlooms. The Department has the overall responsibility for ensuring the availability of raw-materials to all sectors of the industry, augmenting the production of yarn and fabrics at reasonable prices as well as creating an environment to promote the sale of end products. The Department has a special responsibility for the supply of yarn and other raw materials to the Weavers' Cooperative Societies and arranging for marketing of the finished products through Co-optex, Loom World, Society's own showrooms and other selling outlets in and outside of the State.

The Department of Handlooms and Textiles promotes the socio-economic well-being of the weavers and is incharge of implementing various welfare and

developmental schemes for their welfare through 18 circle Deputy Directors / Assistant Directors of Handlooms and Textiles.

Following Institutions are under the administrative control of the Department:-

- 1117 Handloom Weavers' Cooperative Societies
- 127 Powerloom Weavers' Cooperative Societies
- 18 Cooperative Spinning Mills (At present, 5 Cooperative Spinning Mills viz. Anna (Theni), Bharathi, (Thuthukudi) ,Pudukottai, Kanyakumari and Dharmapuri are functioning)
- Tamil Nadu Handloom Weavers' Cooperative Society Limited (Co-optex), Chennai
- Tamil Nadu Zari Limited, Kancheepuram
- Tamil Nadu Handloom Development Corporation Limited, Chennai
- Tamil Nadu Cooperative Textile Processing Mills Limited, Erode
- Tamil Nadu Textile Corporation Limited, Coimbatore
- Tamil Nadu Cooperative Spinning Mills Federation Ltd (TANSPIN), Chennai.

2. PRESENT STATUS OF VARIOUS SECTORS OF THE TEXTILE INDUSTRY

2.01 HANDLOOM SECTOR

As per the 1995-96 Handloom Census, there are 34.86 lakh Handlooms in India, out of which 4.13 lakh Handlooms are in Tamil Nadu which provide employment to 6.08 lakh weavers.

Out of 4.13 lakh handlooms in Tamil Nadu, 2.19 lakh handlooms are functioning with 1117 Handloom Weavers' Cooperative Societies and the remaining 1.94 lakh looms are outside of the cooperative fold.

All the developmental and welfare schemes of the State Government intended for the handloom weavers are being channelised through these Weavers' Cooperative Societies. Most of the Handloom Weavers' Cooperative Societies exist in rural and semi-urban areas.

During the year 2005-06, the annual sales of handloom cloth by Tamil Nadu is Rs.1800 crore, of which, the sales made by handloom cooperatives is Rs.719.63 crore. The average annual export of handloom cloth by Tamil Nadu is Rs.875 crore, of which, export sales by Handloom cooperatives is Rs.264.36 crore.

The Department has encouraged the handloom weavers cooperative societies to produce marketable/ exportable varieties and suitable action plan has been given to the societies, so as to increase the sales and also to earn profit. The Department has also encouraged the societies for product diversification and design development.

Due to the above measures taken by the Department, the number of profitable societies has been increased to 850 during the year 2006-07 from the level of 760 in 2005-06.

2.02 POWERLOOM SECTOR

There are 19.03 lakh registered powerlooms in India, of which, Tamil Nadu has nearly 3.66 lakh registered powerlooms. Of them, 33,504 powerlooms are functioning with 127 Powerloom Weavers Co-operative Societies in Tamil Nadu. These societies mainly produce cloth required under the scheme of Free supply of Uniforms to School Children and Free Distribution of Sarees and Dhothies Scheme. Powerloom Industry in Tamil Nadu provides employment to 9.14 lakh powerloom workers. Powerlooms in Tamil Nadu are mainly cotton oriented. Out of 3.66 lakh powerlooms, about 5000 powerlooms are sophisticated.

During the year 2006-07, powerloom weavers cooperative societies have produced 1041 lakh metres of cloth valued at Rs.159.50 crore and sold powerloom goods worth Rs. 159.28 crore.

2.03 TEXTILE SECTOR

i) Textile Mills

The Textile Mills are the backbone of Tamil Nadu's industrial development. They are predominantly managed by private entrepreneurs and are cotton oriented. Out of 3039 large, medium and small spinning mills in India, 1850 are located in Tamil Nadu which include 18 Cooperative Spinning Mills, 8 National Textile Corporation Mills and 20 Composite Mills. The spinning capacity of the State is 17.92 million spindles with a labour force of about 2.42 lakh. In short, Tamil Nadu produces about 1261.98 million kgs.

of spun yarn per annum which accounts for 38% of the National spun yarn production.

ii) Co-operative Spinning Mills

In Tamil Nadu, 18 Cooperative Spinning Mills were setup from 1958 to 1985 with spindle capacity of 4.70 lakh with the objective of supplying quality yarn at reasonable rates to meet the requirement of hank yarn to Handloom Weavers' Cooperative Societies and cone yarn to the Powerloom Weavers' Cooperative Societies.

All the 18 Cooperative Spinning Mills are having accumulated losses, of them, 13 Cooperative Spinning Mills are non-functional and the following 5 Cooperative Spinning Mills are functioning now :-

1. Bharathi Cooperative Spinning Mills, Ettayapuram (Thoothukudi District)
2. Anna Cooperative Spinning Mills, Andipatti (Theni District)
3. Dharmapuri District Cooperative Spinning Mills, Uthangarai (Krishnagiri District)
4. Pudukottai District Cooperative Spinning Mills, Aranthangi
5. Kanyakumari District Cooperative Spinning Mills, Aralvaimozhi

With a view to fulfil the hank yarn requirement of handloom weavers, the above 5 Cooperative Spinning Mills are functioning continuously.

In order to improve the performance of 5 functional Cooperative Spinning Mills, the Department has taken administrative measures in the form of increase in utilization, improvement in the productivity and to reduce the cost input. Due to the above measures, the 5 functioning Cooperative Spinning Mills viz. Anna,

Bharathi, Kanyakumari, Pudukottai and Dharmapuri have registered profit from September 2006.

2.04 GARMENT SECTOR

Garment industry is the fastest growing sector in the textile industry. In Tamil Nadu, the garment units are located substantially around Chennai. There are about 600 garment units in the State providing employment to about 2 lakh persons. Garment Sector in Tamil Nadu contributes Rs.2500 crore in foreign exchange.

2.05 HOSIERY SECTOR

There are about 6000 hosiery units in India of which 3000 units are located in Tirupur in Coimbatore District. This sector is providing large scale employment to about 3 lakh persons. The hosiery industry in Tirupur is manufacturing Knitwear garment to the tune of Rs. 10250 crore.

2.06 PROCESSING SECTOR

Processing is an important value-added segment in the Textile Sector. There are about 10397 Hand Processing Units in India, of them, 2614 Hand Processing Units are located in Tamil Nadu. Further there are about 2510 Power Processing Units in India, of which 985 Power Processing Units are in Tamil Nadu. Out of 985 Power Processing Units in the State, 713 Units are located in Tirupur. To improve the processing facilities in the State, the Government has been taking steps to establish Processing Park at Cuddalore.

3. SCHEMES IMPLEMENTED DURING THE YEAR 2006-07 AND ACTION PLAN FOR 2007-08

3.01 Free Distribution of Sarees and Dhothies Scheme

As announced in the Budget Speech for the year 2006-07, the Scheme of Free Distribution of Sarees and Dhothies for poor people has been continued by

the Government during the year 2006-07. The Sarees and Dhothies required for distribution has been produced by the Handloom and Powerloom Weavers Cooperative Societies, procured and supplied to Taluk offices for distribution by Co-optex. The entire requirement was supplied by the Department in time and distribution was commenced from January 1st of 2007 for the first time as against the usual distribution by January 14th every year. On the eve of Pongal 2007, 158.91 lakh Sarees and 162.21 lakh Dhothies were distributed.

The Government has ordered for the continuance of the scheme of Free Distribution of Sarees and Dhothies for the year 2007-08 and sanctioned a sum of Rs. 256 crore towards production of 164 lakh sarees and 164 lakh dhothies for distribution during pongal 2008. This scheme will provide continuous employment to about 50,000 Handloom and Powerloom Weavers in the cooperative fold and also fulfil the clothing needs of nearly 3.28 Crore poor people.

3.02 Free Distribution of Uniforms to School Children

As announced in the Budget Speech for the year 2006-07, the Scheme of Free Supply of Uniforms to School Children has been implemented for the academic year 2006-07. Under this scheme, 137.16 lakh metres of uniform cloth to the value of Rs.45.61 crore is produced and supplied to the Social Welfare Department for distribution among school children. Under this scheme, 58,58,142 students got benefited.

Besides this, 22.36 lakh metres of uniform cloth has been supplied to the Adi-Dravidar and Tribal Welfare, Backward Classes and Minorities Welfare and Most Backward Classes and Denotified Communities Departments for the academic year 2006-07.

The Government has ordered for the continuance of the scheme for the academic year 2007-08 and sanctioned a sum of Rs. 45.61 crore towards production of Uniform cloth. The entire requirement of 159.52 lakh metres of uniform cloth will be produced by the handloom and powerloom weavers cooperative societies and supplied to respective Departments, viz., Social Welfare, Adi-Dravidar and Tribal Welfare, Backward Classes and Minorities Welfare and Most Backward Classes and Denotified Communities Departments for distribution.

3.03 Free supply of Electricity to Handloom and Powerloom Weavers

As announced in the Budget Speech for the year 2006-07, Free Electricity upto 100 units bimonthly for handloom weavers and upto 500 units bimonthly for powerloom weavers are being provided with effect from 1.8.2006. The scheme is being implemented through Tamil Nadu Electricity Board. As far as handloom weavers are concerned, 1,35,440 applications have been recommended to the Tamil Nadu Electricity Board and are in process. As on 31.3.2007, 1,10,537 handloom weavers households and around 94,153 service connections of powerloom workers are availing benefit under the Scheme. Towards extension of free electricity to handloom and powerloom weavers, the Government has sanctioned a sum of Rs.62.68 crore for the year 2006-07.

The Government has ordered for the continuance of the scheme for the year 2007-08. The coverage of house holds under this scheme will be increased to 1.50 lakh households of handloom weavers and 1.00 lakh service connections of powerloom weavers. Towards implementation of this scheme, a provision of Rs. 78.04 crore has been made in the Budget Estimate for the year 2007-08.

3.04 Deendayal Hathkargha Protsahan Yojana (DDHPY)

This is a comprehensive scheme for handloom sector formulated by the Government of India and is being implemented from 1.4.2000. The funding pattern of the scheme is on sharing basis between Centre and State Governments in the ratio of 50:50.

Under this scheme, financial assistance is provided for various components such as Basic inputs, Infrastructure support, Design inputs, Publicity, Strengthening of Handloom Organisations etc.

During the year 2006-07, the Government has sanctioned a sum of Rs. 907.78 lakh (Central share Rs.535.37 lakh + State share Rs.372.41 lakh) towards balance amount pertaining to previous years.

Under this scheme, a provision of Rs.1525.01 lakhs has been made in the Budget Estimate for the year 2007-08.

3.05 Rebate Subsidy Scheme

The State Government is providing subsidy towards rebate to promote the sale of handloom cloth. This scheme enables the primary Weavers Cooperative Societies and Co-optex to improve marketing of handloom products. This scheme also aims at protecting the handloom industry from severe competition from the mill and powerloom sectors.

The State Government permitted the primary weavers' co-operative societies and Co-optex to allow rebate at the rate of 20% for the sale of handloom cloth throughout the year for the retail and wholesale, subject to the limitation of 20% or Rs.100/- per unit for cotton varieties and 20% or Rs.200/- per unit for silk varieties whichever is less. As per the policy of the State Government, the excess expenditure over and above the Government of India's contribution under Marketing Incentive component of the Deendayal Hathkargha Protsahan Yojana will be borne by the State Government.

With a view to settle the backlog rebate claims pertaining to the period between 2004-05 and 2005-06, the Government has enhanced the budget provision under rebate subsidy scheme from Rs. 102 crore to Rs. 208.19 crore in Revised Estimate for the year 2006-07. Accordingly, Rebate Claims to the extent of Rs. 208.19 crore have been sanctioned to the primary weavers cooperative societies and Co-optex during the year 2006-07.

For implementation of this Scheme, a provision of Rs.118 crore has been made in the Budget Estimate for the year 2007-08.

3.06 The Co-operative Handloom Weavers' Savings and Security Scheme / Central Thrift Fund Scheme

To encourage saving habits among handloom weavers, the State Government is implementing the "Cooperative Handloom Weavers' Savings and Security Scheme" from the year 1975. The Government of India is also participating in the Scheme from the year 1985-86 and contributes its share under Central Thrift Fund Scheme.

Under this scheme, a Weaver - member in the Weavers Cooperative Society contributes 8 paise per rupee of wages earned, the State Government is contributing 4 paise per rupee of wages and the Government of India also contributes 4 paise under Central Thrift Fund Scheme. Accordingly, the total subscription of 16 paise is being deposited in the Government Account for which the State Government allows 9.5% interest. Out of the 9.5% interest, 6.5% is being credited to the weaver member's account and the remaining 3% is being utilized for implementing the Old Age Pension Scheme and Family Pension Scheme for handloom weavers. As on 31.3.2007, 76,024 weavers were enrolled in the scheme.

During the year 2006-07, the State Government has sanctioned a sum of Rs. 371.55 lakh towards State share and the Government of India has sanctioned a sum of Rs. 371.55 lakh towards Central share as matching contribution.

A sum of Rs. 800 lakh (Central share Rs.400 lakh and State share Rs. 400 lakh) has been provided in the Budget Estimate for the year 2007-08 for this purpose.

3.07 Tamil Nadu Cooperative Handloom Weavers' Old Age Pension Scheme

The Government of Tamil Nadu has introduced the Old Age Pension Scheme for Handloom Weavers in the Cooperative fold from 01.04.1997. The members enrolled in the Savings and Security Scheme who attain the age of 60 years are eligible to get Old Age Pension of Rs.200/- per month. The Old Age Pension amount is paid from out of the 3% interest accrued under the Savings and Security Scheme Fund. At present, 13083 handloom weavers are getting Old Age Pension under the scheme. During the year 2006-07, the State Government has sanctioned a sum of Rs.329.00 lakh towards payment of Old Age Pension to the handloom weavers.

In order to redress the longstanding grievance of handloom old age pensioners, the Government has ordered to increase the existing monthly pension given to handloom weavers from Rs. 200/- to Rs. 400/- from the year 2007-08 and a provision of Rs. 289 lakh has been made in the Budget Estimate for the year 2007-08.

3.08 Tamil Nadu Co-operative Handloom Weavers' Family Pension Scheme

Tamil Nadu is the first State to introduce the Tamil Nadu Cooperative Handloom Weavers' Family Pension Scheme with effect from 01.01.1992. In the event of death of a handloom weaver member before attaining the age of 60 years, the nominee of the deceased weaver will be paid a monthly pension of Rs.350/- for 10 years from the date of death of the weaver. The Family pension amount is paid from out of the 3% interest accrued under the Savings and Security Scheme Fund. At present, 919 families of deceased handloom weavers are getting family pension under the scheme.

During the year 2006-07, the State Government has sanctioned a sum of Rs.39.79 lakh towards payment of Family Pension. This scheme will be continued during 2007-08 and the anticipated expenditure will be around Rs. 47 lakh.

3.09 Mahatma Gandhi Bunkar Bima Yojana (Insurance Scheme for Handloom Weavers)

A new Insurance Scheme called "Mahatma Gandhi Bunkar Bima Yojana" is being implemented by Government of Tamil Nadu from the year 2004-05. Under Mahatma Gandhi Bunkar Bima Yojana, the total premium to be paid to Life Insurance Corporation would be Rs.330/- per weaver / per annum, of which Rs.150/- will be contributed by Government of India, Rs.100/- will be contributed by Life Insurance Corporation of India and Rs.80/- being the weaver's contribution will be paid by the State Government on behalf of the weavers. Tamil Nadu is one of the few States contributing to the premium amount on behalf of the weavers enrolled.

The insurance amount payable to the handloom weavers enrolled under the Mahatma Gandhi Bunkar Bima Yojana is as detailed below:

| | |
|------------------------|------------|
| For Natural Death | Rs.50000/- |
| For Accidental Death | Rs.80000/- |
| For Total Disability | Rs.50000/- |
| For Partial Disability | Rs.25000/- |

The Government has also extended the Insurance Scheme called "Mahathma Gandhi Bunkar Bima Yojana" to the handloom weavers outside of the Cooperative fold from the year 2006-07, so as to provide the benefits to all the handloom weavers which was hitherto extended to the Cooperative Handloom Weavers only. During the year 2006-07, 75,000 weavers have been newly enrolled under Mahathma Gandhi Bunkar Bima Yojana.

At present, 1,92,220 handloom weavers (co-operative fold=1,25,054 & outside of co-operative fold = 67,166) have been enrolled and premium amount of Rs.95,16,600 has been paid to the Life Insurance Corporation of India on behalf of these weavers by the Government.

For the year 2007-08, a provision of Rs. 100 lakh has been made in the Budget.

3.10 Health Insurance Scheme for Handloom Weavers

The Government of India has introduced a New Health Insurance Scheme for handloom weavers from the year 2005-06 in place of earlier Health Package Scheme for handloom weavers. This new Insurance Scheme for handloom weavers is being implemented through ICICI LOMBARD General Insurance Company. Under this Scheme, the total premium to be paid to ICICI LOMBARD General Insurance Company would be Rs.1000/- per weaver per annum. Of which, Government of India's contribution will be Rs.800/- and the weaver's contribution will be Rs.200/-. In Tamil Nadu, the weaver's contribution of Rs.200/- is being paid by the State Government.

Under Health Insurance Scheme, the weaver's family of 4 i.e. self, spouse and two children can avail of medical treatment in any one of the empanelled Hospitals / Nursing Homes in various Districts throughout the State without actually having to pay for the medical treatment to a maximum value of Rs. 15,000/- per annum.

The Government has also extended the Health Insurance Scheme to the handloom weavers outside the Cooperative fold from the year 2006-07, so as to provide the benefits to all the handloom weavers which was hitherto extended to the Cooperative Handloom Weavers only. During the year 2006-07, 68,441 such weavers have been enrolled under Health Insurance Scheme.

As on date, 2, 00,000 handloom weavers (cooperative fold=1,31,559 & outside of cooperative fold= 68,441) have been enrolled and premium amount of Rs.4.00 crore has been paid to ICICI LOMBARD General Insurance Company on behalf of those weavers.

Under this scheme, 73,582 claims have been made to ICICI Lombard General Insurance Company, of which, 42,419 claims to the tune of Rs.7.45 crore were settled and the remaining 31163 claims to the tune of Rs.2.80 crore are under process.

For the year 2007-08, a provision of Rs.500 lakhs has been made in the Budget.

3.11 Weavers' House cum Workshed Scheme

The Weavers' House-cum-Workshed Scheme has been implemented from the year 1979-80 by the Government of Tamil Nadu. The Government of India has also participated in this scheme from the year 1985-86 onwards.

The present pattern of assistance per unit under the scheme is as follows:-

(In Rupees)

| Source | Rural | Urban |
|-----------------------------|--------------|--------------|
| State Government Subsidy | 7000 | 7000 |
| Government of India subsidy | 18000 | 20000 |
| HUDCO Loan | 40000 | 40000 |
| Beneficiary Contribution | 3000 | 5000 |
| Total | 68000 | 72000 |

During the year 2006-07, the Government has sanctioned a sum of Rs.26.96 lakh (Central share Rs.19.50 lakh + State share Rs.7.46 lakh) towards balance amount pertaining to previous years.

For implementation of this scheme, a provision of Rs. 50 lakhs has been made in the Budget Estimate for the year 2007-08.

3.12 Workshed Scheme

The Government of India has been extending financial assistance for construction of worksheds for the weavers, so as to provide better environment at work place. The Workshed Scheme is being implemented by Government of Tamil Nadu from the year 1997-98.

The present pattern of assistance per unit under the scheme is as follows :-
(In Rupees)

| Source | Rural | Urban |
|-----------------------------|-------------|--------------|
| Government of India subsidy | 7000 | 10000 |
| Beneficiary Contribution | 2000 | 4000 |
| Total | 9000 | 14000 |

During the year 2006-07, the Government has sanctioned a sum of Rs. 489.48 lakh (Central share only) towards balance amount pertaining to previous years.

A provision of Rs. 660 lakhs has been made in the Budget Estimate for the year 2007-08 towards implementation of this Scheme.

3.13 Awarding Scholarships under Dr. M.G.R. Handloom Weavers' Welfare Trust

With a view to encourage the wards of the weavers by way of awarding scholarships to pursue higher studies, Dr. M.G.R. Handloom Weavers' Welfare Trust was formed in the year 1986. The funds for this trust are raised from out of the contributions made by the Primary Weavers' Co-operative Societies and Co-optex from their General Fund and Common Good Fund and are deposited in the fixed deposits and the expenditure on awarding scholarships is being met from out of the interest earned thereon. Scholarship is being provided to one male and one female student for pursuing their higher studies in 29 disciplines and for undergoing coaching classes for IAS/IPS examinations. Besides, cash awards to the students scoring highest marks in 10th and 12th std are also being provided.

The Government has ordered for increase of scholarship amount given to the wards of weavers under Dr.M.G.R. Handloom Weavers' Welfare Trust by Rs.500/- for all the courses. The details of scholarship given to the wards of weavers under Dr. M.G.R. Handloom Weavers' Welfare Trust are as follows:-

| S. No. | Discipline | Existing assistance Rs. | Revised assistance Rs. |
|--------|-------------------------|-------------------------|------------------------|
| 1 | M.B.B.S. | 3000 | 3500 |
| 2 | B.D.S. | 3000 | 3500 |
| 3 | B.E. | 3000 | 3500 |
| 4. | B.Tech. | 3000 | 3500 |
| 5 | B.V.Sc. | 3000 | 3500 |
| 6 | B.Sc. Agri/Horticulture | 2500 | 3000 |
| 7 | B.Pharm | 2500 | 3000 |
| 8 | B.Sc. Nursing | 2000 | 2500 |
| 9 | M.E. | 3000 | 3500 |
| 10 | M.Tech. | 3000 | 3500 |
| 11 | M.D. | 3000 | 3500 |
| 12 | M.S. | 3000 | 3500 |
| 13 | M.Com. | 3000 | 3500 |
| 14 | M.A. | 3000 | 3500 |
| 15. | M.Sc. | 3000 | 3500 |
| 16 | M.B.A. | 3000 | 3500 |

| | | | |
|----|--|------|------|
| 17 | M.C.A. | 3000 | 3500 |
| 18 | B.A. | 2000 | 2500 |
| 19 | B.Sc. | 2000 | 2500 |
| 20 | B.Com. | 2000 | 2500 |
| 21 | B.B.A. | 2000 | 2500 |
| 22 | B.B.M. | 2000 | 2500 |
| 23 | B.C.A. | 2000 | 2500 |
| 24 | B.Sc.(Computer Science) | 2000 | 2500 |
| 25 | Polytechnic | 2000 | 2500 |
| 26 | I.A.S./ I.P.S./Bank Officers Exam | 2000 | 2500 |
| 27 | Hotel Management and Catering Technology | 2000 | 2500 |
| 28 | Cost Accounting /CA | 3000 | 3500 |
| 29 | +2 Highest Mark | 2000 | 2500 |
| 30 | 10 th Highest Mark | 1500 | 2000 |

Apart from this, the Government has included the courses of Physiotherapy and Handloom Technology under the scheme of scholarship from the academic year 2006-07.

At present, 74 students are getting scholarship. This scheme will be continued during the year 2007-08.

3.14 Payment of Scholarship to Students of Indian Institute of Handloom Technology

The wards of weavers are given priority in selection to the 3 year Diploma in Handloom Technology courses conducted by the Indian Institute of Handloom Technology, Salem. The Government of Tamil Nadu sanctions scholarships to these students as detailed below:

| | | |
|-------------|---|--------------------|
| First year | - | Rs.400/- per month |
| Second year | - | Rs.450/- per month |
| Third year | - | Rs.500/- per month |

Apart from this, the students are also paid Book Money at the rate of Rs.60/- per month. A tour allowance of Rs.200/- per annum is also being given to the second year students. The scholarship amount is met from out of the Education Fund of the Tamil Nadu Cooperative Union.

The students of Tamil Nadu studying in the Indian Institute of Handloom Technology at Gadag, (Karnataka) and Venkatagiri, (Andhra Pradesh) are also paid stipend from the Education fund of Tamil Nadu Co-operative Union. At present, 78 students are getting scholarships under this scheme. This scheme will be continued during the year 2007-08.

3.15 Payment of scholarship under Shiksha Sahayog Yojana

The Shiksha Sahayog Yojana is one of the component of Mahatma Gandhi Bunkar Bima Yojana. Under this scheme, scholarship will be paid to the children of handloom weavers who are members of the Mahatma Gandhi Bunkar Bima Yojana (restricted to 2 children) studying in Std. IX to XII at Rs.1,200/- per annum per child for a maximum period of 4 years or till they complete XII std. whichever is earlier.

During the year 2006-07 , scholarship has been given to 23176 students at a cost of Rs.2.49 crore. This scheme will be continued during the year 2007-08.

3.16 Integrated Handloom Cluster Development Programme

The Government of India has formulated a new scheme called ‘Integrated Handloom Cluster Development Programme’ for the overall development of handloom clusters. Under this scheme, assistance is being provided for various components such as upgradation, modification, purchase of looms and accessories, setting up of dyeing units, common facility centers, opening of showrooms, conducting of exhibition/fairs, publicity, providing of design inputs etc. The maximum assistance for each cluster will be of Rs. 200 lakh. By way of implementation of this programme, the overall socio-economic status of the handloom weavers of the clusters is expected to improve.

The Government has obtained the approval of Government of India for implementation of Integrated Handloom Cluster Development Programme in three clusters at Trichy, Kurinjipadi (Cuddalore District) and Thiruvannamalai at a cost

of Rs.6 crore (Rs.2 crore for each cluster). The implementing agencies, namely, Textile Committee and Co-optex are taking effective steps to implement the projects in the above clusters. Apart from this, the Government of India has given approval for implementation of the Integrated Handloom Cluster Development Scheme in 10 clusters at a cost of Rs.5 Crore (Rs.50 lakh for each cluster) and the same will be implemented by the Handlooms and Textiles Department.

3.17 Integrated Handloom Training Project

The Integrated Handloom Training Project (IHTP) introduced by the Government of India is being implemented in the State from the year 2003-04. Under this scheme, weavers, Dyers and designers are being trained in Weaving, Dyeing and Design Development to upgrade their skills. The above training is being imparted through Primary Weavers' Cooperative Societies, Weavers' Service Centers and Non-Governmental Organizations involved in the Handloom Sector. Further, Managerial Training is also being given to the Managers of Weavers' Cooperative Societies

The Government has obtained the approval of Government of India to conduct 60 Training Programmes for the weavers under the Integrated Handloom Training Project during the year 2006-07. Under this scheme, 1200 Handloom Weavers are being trained.

During the year 2007-08, it has been proposed to impart training to 1200 persons by getting financial assistance from the Government of India.

3.18 Special Project for handloom weavers under Swarna Jayanthi Gram Swarozgar Yojana (SGSY)

There are 1117 handloom weavers cooperative societies in Tamil Nadu. Of them, 250 societies are engaged in the production of low value items including sarees and dhothies meant for Free Distribution Scheme. There is a need to improve their skill to increase wages. Hence, a comprehensive special project under Swarna Jayanthi Gram Swarozgar Yojana at a total cost of Rs.25.30 crore has been implemented. Under this scheme, assistance for training and capacity building, design development, skill & technology upgradation, infrastructural development and marketing are being provided. The Government has released Rs.11.58 crore (Central share Rs.8.69 crore + State share Rs.2.89 crore) towards implementation of the project.

Training has been imparted to 11137 weavers and 25,300 designs have been developed in sarees, dress materials, shirtings, bed-linen, curtains, kitchen-linen and mats. The looms owned by every weaver under this project were upgraded by replacing old accessories. Under this scheme, 2096 looms were distributed freely to weavers and 11137 looms were upgraded. A documentary film on this project is being prepared with the help of National Film Development Corporation at a cost of Rs.30.00 lakh.

3.19 Prize Award Scheme for the Best Exporters

With a view to encourage the export trade in handloom cloth and to widen their market in foreign countries, the Government of Tamil Nadu has been giving Award Prizes to the Best Exporters in Tamil Nadu. This scheme is being implemented from 1975 onwards. Under this scheme, Trophies and Certificates to the best exporters including primary weavers' co-operative societies are distributed.

During the year 2006-07, a sum of Rs. 50,000/- has been incurred for this purpose.

This scheme will be continued during the year 2007-08, for which a provision of Rs.50,000/- has been made in the Budget Estimate for the year 2007-08.

3.20 Prize award scheme for best weavers for new designs

To encourage handloom weavers for developing new designs, the Government has been implementing Prize Award Scheme. Every year, the best talented weavers who have developed new designs are awarded prizes as follows:

| | |
|--------------|------------|
| First prize | Rs.5,000/- |
| Second prize | Rs.3,000/- |
| Third prize | Rs.2,000/- |

This scheme will encourage the societies to introduce new designs so as to produce marketable/ exportable products. The expenditure under this scheme is being met from the Cooperative Research and Development Fund (CRDF) of the Tamil Nadu Co-operative Union.

This scheme will be continued during the year 2007-08.

3.21 Handlooms (Reservation of Articles for Production) Act, 1985

To protect handloom weavers and the handloom industry from the onslaught of powerlooms, the Government of India has enacted the Handlooms (Reservation of Articles for Production) Act, 1985 and has reserved 11 items exclusively for production in handlooms. To implement the Handlooms Reservation Act, 1985 effectively, a separate Enforcement Machinery in Tamil Nadu has been formed with a Deputy Director at headquarters, Chennai and 5 field level offices in the State.

During the year 2006-07, 66,407 powerlooms were inspected by the enforcement wing as against the target of 50,000 powerlooms.

With a view to propagate the spirit of Handloom Reservation Act and also to safeguard the Handloom Industry, vigorous awareness campaigns will be conducted in powerloom concentrated areas and 70,000 powerlooms will be inspected during the year 2007-08.

4. STEPS TAKEN FOR THE WELFARE OF WEAVERS AND DEVELOPMENT OF HANDLOOM INDUSTRY

4.01 Exports by Weavers' Cooperative Societies

The Department has given a thrust to exports by encouraging the weavers to weave export oriented products. More than 29,000 looms in 400 weavers cooperative societies are now engaged in export oriented production. The items exported (deemed export) include, bed linen, bedspreads, curtains, kitchen linen, table linen, aprons, hand gloves, terri towels, napkins, etc. By engaging in the export business, the weavers are able to get better wages.

For the year 2006-07, handloom goods worth Rs.276.38 crore have been exported.

It has been proposed to engage more number of weavers in the export oriented production, so as to increase the export turnover to the extent of Rs. 300 crore during the year 2007-08.

4.02 Design Development

A design intervention project at a cost of Rs. 25.00 lakh has been prepared in coordination with National Institute of Design, Ahmedabad and around 500 new designs are being developed in the products of silk fabrics in Kancheepuram, Arni, Rasipuram and Mannargudi and the same will be launched on the eve of Deepavali 2007.

4.03 Skill upgradation Training for Handloom Weavers

With the main objective to upgrade the skill of the weavers, designers and dyers, so as to increase the wage earning capacity, training has been imparted for 1000 handloom weavers covering all the districts throughout the State with the help of Gandhigram Rural Institute, Dindigul and Indian Institute of Handloom Technology, Salem at a cost of Rs. 25.00 lakh. The training programme covers fundamentals of designing, tools for weaving, Computer Aided Textile Designing, dyeing and printing and marketing of textiles, etc.

4.04 Implementation of “Handloom Mark”

To provide an exclusive identity to the handloom products to improve marketing, the Department has initiated necessary steps to launch “Handloom Mark” in Tamil Nadu. To propagate the handloom mark, sensitization programme was organized in coordination with Textile Committee in 6 cluster areas of the State, namely, Kancheepuram, Thiruvannamalai, Kurinjipadi, Madurai, Erode and Kumbakonam.

Further, it has been programmed to enroll 1000 Weavers' Cooperative Societies under this Scheme. So far, 710 applications have been received by the Textile Committee and certificates have been issued to all institutions. The Tamil Nadu Handloom Weavers Cooperative Society Ltd (Co-optex) and the majority of weavers' cooperative societies have obtained Handloom Mark.

The Department is taking initiatives to propagate the scheme further and to utilize the handloom mark to improve marketing of handloom products.

4.05 Registration of Handloom Products under Geographical Indication Act, 1999

To protect the traditional heritage of the handloom varieties, the Department has initiated steps to register handloom products such as Salem Silk, Arni Silk and Kovai Kora Cotton under the Geographical Indication Act, 1999. The historical background and other details required by Geographical Indication Registry are being collected. Preliminary work such as documentation etc., will be completed and the application will be filed shortly.

4.06 Conduct of Market Survey

The Department has sent a proposal to Tamil Nadu Cooperative Union (TNCU) for sanction of Rs.2 crore from the Cooperative Research and Development Fund towards conduct of market survey. The Department is taking steps to get funds from Tamil Nadu Cooperative Union for this purpose.

4.07 Issue of Identity Cards to handloom weavers

The Department has initiated action for issue of identity cards to all handloom weavers under the Cooperative fold at a cost of Rs.45.93 lakh so as to extend the benefits under the various schemes implemented by the Government. The Tamil Nadu Cooperative Union has already released a sum of Rs.25.00 lakh for this purpose. So far, identity cards have been issued to 1.60 lakh weavers in the cooperative fold.

4.08 Removal of the ban on registration of new weavers' cooperative societies

With a view to bring more number of handloom weavers in the Cooperative fold, the Government has issued orders removing the ban on registration of new Handloom Weavers Cooperative Societies. Accordingly, 9 handloom weavers cooperative societies (Paramakudi-4, Madurai-1, Tiruchengode-3, Tirunelveli-1) have been registered. Further, 130 applications for registration of new societies

are under process. By doing this, the number of weavers have gone up to 2,36,112 in the cooperative sector.

4.09 Steps taken for increasing the sales and to reduce the stock of handloom goods

The Government has permitted the primary weavers co-operative societies and the Co-optex, to allow 10% Special rebate without having ceiling in respect of sale of cotton fabrics exceeding Rs.1001/- and silk fabrics exceeding Rs.2001/- during festivals for a period of 128 days during the year 2006-07. By availing the 10% special rebate, silk goods worth Rs.77.26 crore were sold.

Apart from this, on the eve of Perarignar Anna's Birthday, the Government has permitted the primary weavers co-operative societies and the Co-optex to allow additional 10% special rebate along with normal rebate of 20% on the sale of cotton and silk varieties with ceiling of Rs.150/- and Rs.300/- respectively for a period of 139 days during the year 2006-07. By availing this additional 10% special rebate, handloom goods worth for Rs.185.11 crore were sold. The sales performance of handloom goods for the year 2006-07 stood at Rs. 796.18 crore.

The Department has also conducted 44 District Level Exhibitions at various places in the State during the year 2006-07 and handloom fabrics to the extent of Rs.10.35 crore were sold during these exhibitions.

In view of the above measures taken by the Department, stock of Cotton and Silk goods have been reduced considerably.

4.10 Exemption of Sales Tax on Hank Yarn

As announced in the Budget Speech for the year 2006-07, the 2% Sales Tax hitherto levied on hank yarn was fully exempted, for which the Government have issued directions vide its notification dated.22.7.2006. By way of this announcement, around 6.08 lakhs weavers are benefited. This measure will encourage handloom industry to generate large scale employment for weavers who depend on handloom vocation. This involves a loss of revenue of about Rs.56 crore per annum to the Government.

4.11 Textile Parks

Till 2005-06, the Government of India has sanctioned 9 textile special projects to Tamil Nadu under “Apparel Park for Exports Scheme (APES)”, “Textile Centre Infrastructure Development Scheme (TCIDS)” and “Scheme for Integrated Textile Park (SITP)” at the total project cost (infrastructure) of Rs.470.41 crore. Among these projects, Netaji Apparel Park at Tirupur and Wind Power Project for Tirupur at Radhapuram of Tirunelveli District have been completed and other projects are in progress.

During the year 2006-07, the Government has obtained the approval of Government of India for the setting up of 4 Textile Parks, viz., Erode, Kumarapalayam (Namakkal District), Madurai and Karur at a total project cost of Rs.266.19 crore. All the 13 Textile Special Projects will provide employment to around 1.15 lakh persons.

The Hon'ble Chief Minister has addressed the Government of India on 26.8.2006 for extension of Technology Upgradation Fund Scheme and Scheme for Integrated Textile Park during the 11th Five Year Plan and also for sanction of additional 10 textile parks to Tamil Nadu under Scheme for Integrated Textile Park. Based on the request of the Hon'ble Chief Minister of Tamil Nadu, the Government of India has announced in the current Union Budget (2007-08) that the Technology Upgradation Fund Scheme will be continued during the 11th Five Year Plan upto 2011-2012.

4.12 Training to Department officials

With a view to improve the efficiency, the Department officials have been deputed for various training programmes conducted by the Training Institutes during the year 2006-07 and the details are as follows:-

| S. No. | Name of the Training Programme | Name of the Institute | No. of persons deputed |
|--------|---|--|------------------------|
| 1. | Right to Information Act-2005 | Anna Institute of Management | 6 Assistant Directors |
| 2. | Total Quality Management | Anna Institute of Management | 2 Assistant Directors |
| 3. | Transfer of Appropriate Technology for sustainable rural livelihood | National Institute of Rural Development, Hyderabad | 1 Joint Director |

| | | | |
|----|--|--|---|
| | of Handloom Sector | | |
| 4. | Management Development Programme on "Competitive Intelligence" | Indian Institute of management, Kozhikode | 2 Joint Directors |
| 5. | "Supply Chain Management in Handloom Products" | National Institute of Rural Development, Hyderabad | 1 Joint Director and 1 Assistant Director |

5. PART II SCHEMES 2007-08

The following two schemes have been approved under Part II Scheme for the year 2007-08 by the Government.

1. Purchase of LCD Projector, Laptop Computer with accessories for Rs. 1.50 lakh and
2. Purchase of one Digital Photocopier Machine for Rs. 1.00 lakh for the office of the Commissioner of Handlooms and Textiles, Chennai.

6 INSTITUTIONS UNDER THE CONTROL OF THE DEPARTMENT

6.01 The Tamil Nadu Handloom Weavers' Co-operative Society Limited (Co-optex)

The Tamil Nadu Handloom Weavers' Co-operative Society Limited (CO-OPTEX) was established in the year 1935 with the main objectives of organising and promoting the handloom industry in the co-operative sector, supplying yarn to the Weavers' Co-operative Societies and to market their products etc. Co-optex, the apex society procures products from member – weavers cooperative societies and market them through 206 showrooms of which 136 are located within the State and 70 are located outside of the state.

Functions of Co-optex :

- As a nodal agency for the procurement and supply of sarees and dhothis under (i) Government's Free Distribution of sarees and dhothis Scheme, (ii) Government's Free Distribution Scheme to Old Age Pensioners.

(iii) It also helps Government to implement scheme for supply of uniform to school children.

- Exports wide range of home textiles like terry towels, furnishing fabrics, bedspread, table cloth, table mats, napkins, lungies, shirtings and kitchen coordinates like aprons and gloves.
- Eco-friendly natural dyes and organic cotton are introduced for the export products
- Recently, Co-optex has diversified its range of products by including readymade garments for gents and children.

During the year 2006-07, Co-optex has procured handloom and powerloom goods worth Rs.288.87 crore from the weavers' co-operative societies of the State and the sales stands at Rs. 371.40 crore including the export sales worth Rs. 4.41 crore.

Performance of Co-optex for the year 2006 - 2007

- To ensure continuous employment to the weavers, Co-optex has changed the procurement policy from seasonal procurement to monthly procurement for its retail sales. The retail sales procurement has improved to Rs.71.37 crore compared to Rs.55.44 crores during the year 2005-2006.
- To improve the marketing of handloom products, co-optex, during the year 2006-07, has introduced 525 new designs in sarees and home textile products in line with the taste of the consumers.
- To improve the financial position of the primary weavers' co-operative societies, Co-optex is making payment for its retail sales procurement within 30 days. During the current financial year, an amount of Rs. 79.99 crore has been made as payment.
- During the current year, Co-optex has introduced a unique silk saree with 1,64,492 colours woven with 7 wonders of the world in the border and Sri Madurai Meenakshi Amman Temple on the pallu. This saree was named as 'Mayil thogai' and was released by the **Hon'ble Chief Minister of Tamil Nadu** on 22.11.2006. Steps initiated to enter this achievement in the Guinness Book of World Record.

- Co-optex has taken novel projects such as collection of old design silk sarees to improve the design bank and to introduce new design products, production of value added materials like bags, kids wear, readymade garments etc with the assistance of Self Help Groups (SHG).
- Co-optex has encouraged the SHG movement by marketing the products of SHG through Co-optex showrooms ensuring continuous employment and income to the concerned.
- During the year 2006-2007, Co-optex has taken various staff friendly measures for enhancing the motivation level of the staff amongst which the release of 17% of Dearness Allowance to the staff after a long gap of 4 years is worth mentioning. As a result of staff friendly measures, 132 showrooms of Co-optex have registered profit during the current year.

National Handloom Exhibition – EXPO 2007

The Ministry of Textiles (Government of India) has assigned the job of holding of the National Handloom Exhibition - Expo 2007 at Chennai to Co-optex as the nodal agency. This National Handloom Exhibition was held in the Exhibition Grounds of Co-optex at Chennai, during the period from 15.03.2007 to 2.04.2007 with 91 participants within and outside of the state. An exclusive theme pavilion was put up by the Weavers Service Centre, displaying major traditional handloom products of the country. Adequate publicity was also given to popularise the Expo 2007. It is noteworthy to mention that 18 silk weavers cooperative societies, which are financially weaker have been provided with stalls at free of cost for display and sale of their products in this National exhibition. A total sale of Rs.3.12 crore was achieved in this Expo.

Enhancing the marketing potential for Handloom products

Co-optex proposes to achieve a sales turnover of Rs. 125 crores during the year 2007-08 with the following innovative interventions:

- a. To introduce large scale design intervention in the products such as silk sarees in Kancheepuram, Arni and Coimbatore, cotton sarees in Salem, Jayankondam and Paramakudi and home textile products in Erode and Karur. Co-optex proposes to engage the services of qualified free-lance designers on contract basis to introduce

innovative designs and to impart training to the weavers to adopt to the design requirements of prevailing market trend.

- b. To enlarge the product range under ready made garments by introducing shirts, childrens' garments, dress materials, etc.
- c. To develop new blends in silk x cotton, cotton x polyester, silk x polyester combinations in sarees and dress material.
- d. To organise around 200 exhibitions during the year 2007-08 both inside and outside the State.

6.02 Tamil Nadu Handloom Development Corporation Limited, Chennai

The Tamil Nadu Handloom Development Corporation Limited was started in the year 1964 with the objectives of providing financial assistance to the weavers outside of the cooperative fold for manufacturing, trading and marketing of handloom, powerloom and hosiery cloth.

The paid-up share capital of the Corporation is Rs.429.23 lakh, of which, Rs.267.00 lakh has been subscribed by the Government of Tamil Nadu and the balance of Rs.162.23 lakh is contributed by the members. The Corporation avails cash credit facilities to the extent of Rs.550.00 lakh from commercial banks namely State Bank of India (Rs.330.00 lakh) and State Bank of Patiala (Rs.220.00 lakh).

At present, there are 11,846 members in the Corporation. During the year 2006-07, the Corporation sanctioned loans to 621 members to the extent of Rs.237.26 lakh.

For the year 2007-08, the Corporation has proposed to increase the sanction of loans to the extent of Rs.400.00 lakh.

6.03 Tamil Nadu Zari Limited, Kancheepuram

The Tamil Nadu Zari Limited, Kancheepuram, is an ISO 9001 certified State Public Sector Undertaking engaged in the manufacture of zari gold lace and supply to Silk Weavers' Co-operative Societies. The Corporation is also undertaking the centralized quality checking of zari samples received from the

Surat zari manufacturers and traders for supply to the Silk Weavers' Co-operative Societies. Besides, the Corporation is undertaking testing of zari and zari made fabrics by non-destructive testing method through X-Ray Fluorescence Analyser. Traders, manufacturers and buyers are taking advantage of this facility.

To cater to the zari requirements of Kumbakonam area, the Tamil Nadu Zari Limited has established a branch unit at Kumbakonam during the year 1999, which is functioning profitably with a production capacity of 18000 marcs per annum.

The company has tested 1894 zari samples received from the Surat zari manufacturers and traders. Further, 19285 samples of zari and silk fabrics were tested through the X-Ray Fluorescence Analyser and a sum of Rs.6.39 lakh was collected as testing fees.

During the year 2006-07, the company produced 48529 marcs and sold 49507 marcs of zari and earned a profit of Rs.90.63 Lakh (tentative).

Action Plan of Tamil Nadu Zari Limited for 2007-08

- The Company proposes to produce and supply 96000 marcs of zari during the year 2007-08.
- The Company proposes to manufacture Polyester Zari and Market Variety Zari during the year.
- The Company also proposes to adopt upgraded technology in electroplating process, so as to match the colour and luster on par with Surat zari.
- It has been proposed to upgrade the Engineering Technology in silver thread making.

6.04 Tamil Nadu Co-operative Textile Processing Mill Limited, Erode

The Tamil Nadu Co-operative Textile Processing Mill Limited, Erode is undertaking various processing activities such as Bleaching, Dyeing, Mercerizing,

Printing and finishing of cotton/ synthetics fabrics. The mill has the capacity to process about 18.00 lakh metres of cloth per month. The mill mainly gets orders from Co-optex, Tamil Nadu Khadi and Village Industries Board, Powerloom weavers' Cooperative societies, Handloom Weavers' Cooperative Societies, Sarvodaya Sangam, Central Prison and Handloom Development Corporations of Kerala and Karnataka and Private Exporters for processing and printing of fabrics.

The business turnover of the Tamil Nadu Cooperative Textile Processing Mill during the year 2006-07 was Rs.11.88 crore with a net profit of Rs.2.12 crore (tentative).

The mill proposes to introduce a website containing all updated and the latest information about the mill and its activities to enable sourcing of quality orders both from public and private sectors.

6.05 Tamil Nadu Textile Corporation Limited, Coimbatore

Tamil Nadu Textile Corporation Limited, Coimbatore was established in the year 1969 in order to provide employment to the workers of the closed textile units and to provide rehabilitation measures to the textile industry. At present, the Corporation has 2 Powerloom Complexes with a capacity of 96 looms each at Aruppukottai and Sivagiri. Further, the Corporation is having one Autoloom shed with 12 autolooms at Kurichi, Coimbatore. The Tamil Nadu Textile Corporation produces polyester suiting and shirting varieties in Kurichi Autoloom shed Sivagiri and Aruppukottai Powerloom complexes and supplies cloth to various Government institutions. The Corporation also undertakes production of white shirting cloth, blue dhavani cloth and khaki drill cloth under the Government's Free supply of Uniform Scheme for school children.

The sales turnover of the Corporation during the year 2006-07 was Rs. 18.75 crore and it has earned a profit of Rs. 68.25 lakh (tentative).

Action Plan of the Tamil Nadu Textile Corporation Limited for 2007-08

- The Corporation has planned to produce 21.33 lakh metres of uniform cloth under Free supply of uniforms to school children scheme and to meet out the cloth requirements of Government Institutions for the value of Rs.752.88 lakh.
- The Corporation has proposed to procure 78.65 lakh metres of white shirting from powerloom weavers' co-operative societies for supply

intended for Government schemes for the value of Rs.1864.67 lakh during the year 2007-08.

6.06 Tamil Nadu Co-operative Spinning Mills Federation Limited (TANSPIN), Chennai

The Tamil Nadu Cooperative Spinning Mills Federation Limited (TANSPIN) was established in the year December 1994 to streamline the procedure of procurement and supply of cotton to the Cooperative Spinning Mills in Tamil Nadu. The main objective of the federation is to procure and supply good quality cotton at reasonable prices to the member Cooperative Spinning Mills from various cooperative institutions all over the country. For this purpose, the Government of Tamil Nadu has sanctioned a sum of Rs.25.00 crore as Share Capital and Rs.2.07 crore as Cotton Revolving Fund to TANSPIN for the purchase of cotton on cash and carry basis.

During the year 2006-07, the TANSPIN has procured 8938 bales of cotton and supplied to the member Cooperative Spinning Mills to the value of Rs.7.58 crore. Besides this, TANSPIN has purchased stores and packing materials required for the Mills to the value of Rs.19.38 lakh.

The TANSPIN has made a turnover of Rs.7.58 crore and earned a profit of Rs. 10.38 lakh (tentative) during the year 2006-07.

7. BUDGET PROVISION FOR THE YEAR 2007-08

A provision of Rs.52299.13 lakh has been made in the Budget Estimate for the year 2007-08 under Demand No.17 - Handlooms and Textiles as detailed below:-

| (Rs. in lakh) | | |
|---------------|--|-------------------------|
| Sl No | Name of the Scheme | Budget Estimate 2007-08 |
| 1 | Free Distribution of Sarees and Dhothies Scheme (including handling charges of Co-optex) | 27150.00 |
| 2 | Free Electricity to Handloom Weavers | 1120.00 |

(Rs. in lakh)

| Sl No | Name of the Scheme | Budget Estimate 2007-08 |
|-------|---|-------------------------|
| 3 | Free Electricity to Powerloom Weavers | 6684.00 |
| 4 | Rebate on sale of handloom cloth | 4000.00 |
| 5 | Marketing Incentive / Rebate under Deen Dayal Hathkargha Protsahan Yojana | 7800.00 |
| 6 | Payment of premium under Mahatma Gandhi Bunkar Bima Yojana | 100.00 |
| 7 | Co-operative Handloom Weavers Savings and Security Scheme | 400.00 |
| 8 | Health Insurance Scheme for handloom weavers | 500.00 |
| 9 | Old Age Pension Scheme for cooperative handloom weavers | 289.00 |
| 10 | Interest Subsidy to Primary Weavers Cooperative Societies and Co-optex | 0.01 |
| 11 | Central Thrift Fund Scheme | 400.00 |
| 12 | Health Package Scheme | 0.01 |
| 13 | Establishment of Enforcement Machinery | 136.63 |
| 14 | Workshed Scheme | 660.00 |
| 15 | Bunkar Bima Yojana (Publicity component) | 0.01 |
| 16 | House-cum-Workshed Scheme | 50.00 |
| 17 | Rebate for Handloom Expo | 0.01 |
| 18 | Deendayal Hathkargha Protsahan Yojana (Other components) | 1525.01 |
| 19 | Implementation of Textile Centre Infrastructure Development Scheme | 0.01 |

(Rs. in lakh)

| Sl No | Name of the Scheme | Budget Estimate 2007-08 |
|--------------|---|-------------------------|
| 20 | Establishment of Hi-Tech Weaving Parks | 0.01 |
| 21 | Powerloom Census (Rent for Powerloom Service Centre, Erode) | 0.25 |
| 22 | Ways and Means advance to Co-operative Spinning Mills | 0.01 |
| 23 | Secretariat Economic Services (Salaries of Staff and other Administrative expenses) | 130.37 |
| 24 | Administrative expenses (Including Pay and Allowances of staff) | 1353.80 |
| TOTAL | | 52299.13 |

ANNEXURE-I**HANDLOOM CLUSTERS IN TAMIL NADU**

| Sl. No. | Name of the Circle and Clusters | Varieties produced |
|-----------|---------------------------------|--|
| 1. | THIRUVALLUR | |
| | (a) R.K.Pettai | Free Distribution Sarees, Kanchee Cotton Sarees |
| | (b) Pallipet | |
| | (c) Tiruttani | |
| | (d) Ellapuram | |
| 2 | SALEM | |
| | (a) Ammapet, | Silk Dhothy, Angavastram, Silk Sarees, Towel, CottonSarees, Mat, Carpet. |
| | (b) Kondalampatti | Silk Sarees (Pure & Half fine) |
| | (c) Attayampatti | Cotton Dhothies, Free Distribution Dhothies & Sarees, Uniform Cloth |

| Sl. No. | Name of the Circle and Clusters | Varieties produced |
|----------|---------------------------------|---|
| | (d) Vanavasi | Silk Sarees, Cotton Sarees |
| | (e) Paupparapatti | Shirting ,Towel, Free Distribution Dhothies & Sarees, Uniform Cloth |
| 3 | NAGERCOIL | |
| | (a) Vadasery | Cotton Dhothy, Towel, Sarees, Bed Spreads |
| | (b) Colachel | |
| | (c) Karungal | |
| | (d) Palliyadi | |
| 4 | TIRUCHENGODE | |
| | (a) Rasipuram | Silk & Cotton Sarees |
| | (b) Mallasamudram | Dhothy |
| | (c) Komarapalayam | Gada, Carpet, Towel |
| | (d) Edappadi | Carpet, Export Towel, |
| 5 | THIRUVARUR | |
| | (a) Ammaiyappan | Silk Sarees |
| | (b) Mannargudi | |
| 6 | VIRUDHUNAGAR | |
| | (a) Aruppukottai | Art Silk Sarees, Cotton Sarees, Lungi, Towel |
| | (b) Sundarapandiam | Free Distribution Sarees & Dhothies, Cotton Sarees, Towels |
| | (c) Srivilliputhur | |
| | (d) Rajapalayam | |
| 7 | ERODE | |
| | (a) Chennimalai | Bedsheet, Bedspread, Furnishing |
| | (b) Bhavani | Carpet, Bedsheet, Towel |
| | (c) Gobi | Kora Saree, |
| | (d) Erode Kanchi Koil | Free Distribution Sarees and Dhothies, Bedsheet, Towel |
| 8 | KARUR | |
| | Karur | Bedsheet, Bedspread, Furnishing, Pillow Covers, Napkin |

| Sl. No. | Name of the Circle and Clusters | Varieties produced |
|----------|---------------------------------|--------------------|
| 9 | KANCHEEPURAM | |

| | | |
|---------|---------------------------------|---|
| | (a)Kancheepuram | Silk Sarees |
| | (b) Pallipet | Free Distribution Sarees |
| | (c) Ponneri | Kanchi Cotton Sarees |
| 10. | PARAMAKUDI | |
| | (a) Paramakudi | Art Silk, Cotton Sarees |
| | (b) Emeneswaram | Art Silk, Cotton Sarees |
| | (c) Karaikudi | Lungies, Towel, Cotton Sarees |
| 11. | DINDIGUL | |
| | (a) Palani | Tie & Dye, Kora Sarees, Cotton Sarees, Lungies |
| | (b) Chinnalapatti | Artsilk, Kora Sarees, Polyester shirting, Polycot Saree, Bed Spread |
| 12. | VELLORE | |
| | (a) Vellore | Lungi, Cotton Sarees, Free Distribution Sarees |
| | (b) Gudiyattam | Lungies |
| | (c) Arni | Silk Sarees |
| | (d) Thiruvannamalai | Lungi, Towel, Free Distribution Sarees |
| 13. | MADURAI | |
| | (a) Madurai | Kodambakkam Sarees, Cotton Sarees, Dhothies |
| | (b) T. Kunnathur | Lungies, Towels, Furnishings, Napkins |
| | (c) Andipatty | Cotton Sarees, Dhothies |
| Sl. No. | Name of the Circle and Clusters | Varieties produced |
| 14. | CUDDALORE | |
| | (a) Kurinjipadi | Lungies |
| | (b) Bhuvanagiri | Silk Sarees, Lungies |
| | (c) Villupuram | Silk Sarees and Lungies |
| 15. | TRICHY | |
| | (a) Woraiyur | Woraiyur Sarees |
| | (b) Manamedu | Dhothies, Angavastharam, Export varieties |
| 16. | KUMBAKONAM | |
| | (a) Kumbakonam | Silk Sarees |
| | (b) Thirubuvanam | Silk Sarees |
| | (c) Jayankondam | Venkatagiri Sarees, Cotton Sarees, Export varieties |

| | | |
|-----|---------------------|--|
| 17. | COIMBATORE | |
| | (a) Coimbatore | Kora Sarees |
| | (b) Sirumugai | Silk Sarees, Kora Sarees, Cotton Sarees |
| | (c) Pollachi | Cotton Sarees, Kora Sarees, Export varieties |
| 18 | TIRUNELVELI | |
| | (a) Kallidaikurichi | Lungies, Towels |
| | (b) Sankarankoil | Lungies, Cotton Sarees, Free Dhothies & Sarees |

ANNEXURE-II

PROFILE OF TEXTILE INDUSTRY IN TAMIL NADU

| Item | All India | TN | Position of TN |
|-----------------------------------|-----------|-------|----------------|
| SPINNING SECTOR | | | |
| No. of Non-SSI Mills | 1808 | 877 | 1 |
| Workers (in Lakh) | 8.54 | 2.08 | 1 |
| Spindles (in Mn.) | 35.43 | 14.60 | 1 |
| No. of SSI Mills | 1231 | 973 | 1 |
| Workers (in Lakh) | 0.40 | 0.34 | 1 |
| Spindles (in Mn.) | 3.84 | 3.32 | 1 |
| POWERLOOM SECTOR | | | |
| Powerlooms (in lakh) | 19.03 | 3.66 | 2 |
| Weavers (in lakh) | 47.57 | 9.14 | 2 |
| HANDLOOM SECTOR | | | |
| Handlooms (in lakh) | 34.86 | 4.13 | 2 |
| Handloom Cloth Prodn. (Bn.Sq.Mt.) | 6.00 | 0.7 | 1 |
| Value (Rs.in crores) | 18000 | 2500 | 1 |
| Weavers (in lakhs) | 65.50 | 6.08 | 2 |
| OTHER SECTORS | | | |
| Power processing units | 2510 | 985 | 1 |

| | | | |
|--------------------------|-------|------|---|
| Hand processing units | 10397 | 2614 | 1 |
| Knitwear & Garment units | 8000 | 4000 | 1 |

ANNEXURE-III**Special schemes implemented in 10th
Five Year Plan (2002-07)**

| S. No | Name of the Scheme | Project Cost (Rs. in Crore) | Total Investment (Rs. in crore) | Date of Completion |
|--------------|---|------------------------------------|--|---------------------------|
| 1. | Netaji Apparel Park, Tiruppur | 17.62 | 300.00 | Completed |
| 2. | Apparel Park at Irungattukottai | 26.70 | 300.00 | Sep 2007 |
| 3. | TCIDS at Kancheepuram | 21.81 | 21.81 | Sep 2007 |
| 4. | Windmill Project at Tiruppur | 25.00 | 25.00 | Completed |
| 5. | Cauvery Hi-Tech Weaving Park | 33.32 | 76.66 | April 2007 |
| S. No | Name of the Scheme | Project Cost (Rs. in Crore) | Total Investment (Rs. in crore) | Date of Completion |
| 6. | Vaigai Hi-Tech Weaving Park | 33.16 | 63.05 | Mar 2008 |
| 7. | Integrated Textile Park at Chengapalli, Erode District. | 149.45 | 418.05 | Mar 2008 |
| 8. | Processing Park at Cuddalore | 120.00 | 475.00 | Mar 2008 |
| 9. | Hi-Tech Weaving Park at Palladam | 43.35 | 161.34 | April 2007 |
| 10. | Hi-Tech Weaving Park at Kumarapalayam | 34.82 | 125.66 | Mar 2008 |
| 11. | Hi-Tech Weaving Park at Erode | 46.37 | 127.60 | Apr 2008 |

| | | | | |
|-----|----------------------------------|-------|--------|-----------|
| 12. | Integrated Textile Park, Madurai | 87.00 | 205.00 | June 2008 |
| 13. | Integrated Textile Park, Karur | 98.00 | 204.00 | June 2008 |

N K K.P. RAJA
MINISTER FOR HANDLOOMS