

HANDLOOMS AND TEXTILES

POLICY NOTE FOR THE YEAR 2009-10

Demand No. 17

1. INTRODUCTION

The Textile Industry of Tamil Nadu has its significant presence in the National and State economy. It is the forerunner in Industrial development. Handloom, Powerloom, Spinning, Processing, Garment and Hosiery are the various sectors of the Textile Industry in Tamil Nadu and known for the largest economic activity next only to Agriculture in providing direct and indirect employment.

The primary objectives of the Department of Handlooms and Textiles are,

- (i) to promote the harmonious growth of Handloom, Powerloom and other sectors of the Textile Industry;
and
- (ii) to strive for the welfare of all connected with the industry, more particularly, the handloom weavers and the textile workers.

This Department promotes socio-economic well-being of the weavers by implementing various welfare and developmental schemes of the Government intended to benefit the weavers. The overall responsibility lies with this department for ensuring the availability of raw materials to all sectors of the textile industry, augmenting the production of yarn and fabrics at reasonable prices as well as creating an environment to promote the sale of finished products, and especially for the supply of yarn and other raw materials to the Weavers Co-operative Societies. This Department arranges marketing of the finished products through the showrooms of Co-optex, Loom world and Society as well as other sales outlets in and outside the State.

The following institutions are under the administrative control of the Department of Handlooms and Textiles:

- i. 1130 Handloom Weavers Co-operative Societies
- ii. 164 Powerloom Weavers Co-operative Societies
- iii. 18 Co-operative Spinning Mills (5 Co-operative Spinning Mills viz., Anna (Theni), Bharathi (Thoothukudi), Pudukottai, Kanyakumari and Krishnagiri are functioning)
- iv. Tamil Nadu Handloom Weavers Co-operative Society Limited (Co-optex), Chennai.
- v. Tamil Nadu Zari Limited, Kancheepuram.
- vi. Tamil Nadu Handloom Development Corporation Limited, Chennai.

- vii. Tamil Nadu Co-operative Textile Processing Mills Limited, Erode.
- viii. Tamil Nadu Textile Corporation Limited, Coimbatore.
- ix. Tamil Nadu Co-operative Spinning Mills Federation Limited (TANSPIN), Chennai.

The Director of Handlooms and Textiles is vested with powers delegated under the Tamil Nadu Co-operative Societies Act, 1983 and Rules 1988. The Director is the "Functional Registrar" for the Handloom and Powerloom Weavers Co-operative Societies and other Co-operative Institutions functioning under the Department of Handlooms and Textiles in the State. The Director also functions 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. Various welfare schemes for the weavers are implemented by this Department at the field level by the 18 circle Deputy Directors/Assistant Directors.

2. PRESENT STATUS OF VARIOUS SECTORS OF THE TEXTILE INDUSTRY

2.01 Handlooms

Handloom Sector constitutes a timeless facet of the rich cultural heritage of India and plays a vital role in the economy of the Country. It has a long tradition par excellence in its craftsmanship. As an economic activity, the handloom sector plays an important role, next only to agriculture, in providing employment to a sizable segment of the rural masses in the State.

Tamil Nadu occupies a pride place in handloom sector with maximum number of handlooms in the Country. Handloom weaving is one of the largest economic activities in Tamil Nadu. There are 4.13 lakh handlooms located in the State in which 2.32 lakh handlooms are functioning with 1130 Handloom Weavers Co-operative Societies and the remaining 1.81 lakh looms are outside the Co-operative fold, thus providing employment to 6.08 lakh weavers.

All the developmental programmes and welfare schemes of both State and Central Government intended for the handloom weavers are being implemented through the Handloom Weavers Co-operative Societies functioning in the State.

During the year 2008-09, the Handloom Weavers Co-operative Societies produced 1296.47 lakh metres of handloom fabrics to a value of Rs.800.61 crore and sold them for Rs.914.95 crore. The average annual production of handloom cloth in the State is around Rs.1700 crore and the average turnover is around Rs.1800 crore, inclusive of export turnover of Rs.875 crore.

The approach of the Government, in the context of opening up of global textiles market, is to 'sustain the handloom industry' and 'continue to provide livelihood to the several lakh of weavers who depend on this activity.' This requires constant skill upgradation to produce marketable products, technology upgradation to increase the productivity and to maintain quality to compete in the world market besides product diversification through continuous design interventions. All the above measures will ensure sustenance of the industry.

2.02 Powerlooms

The Powerloom Sector in Tamil Nadu plays a pivotal role in meeting the clothing needs of the people. The Powerloom Sector in Tamil Nadu is next only to Maharashtra in terms of number of powerlooms. In the liberalized economic environment, the delicensed powerloom sector has been steadily registering good progress. Production of cloth as well as generation of employment has been rapidly increasing in this sector. It also contributes significantly in the export earnings of the country.

The Powerloom Sector in Tamil Nadu provides employment to around 9.14 lakh workers. As against 19.03 lakh registered powerlooms in India, 3.66 lakh are located in Tamilnadu and of that 42,566 are covered under 164 Powerloom Weavers Co-operative Societies. During the year 2008–09, these Societies have produced 1487.50 lakh metres of cloth worth around Rs. 246.09 crore and the turnover was around Rs.253.50 crore.

2.03 Textile and Spinning Mills

The Textile Mills are the backbone of Tamil Nadu's industrial development and are providing massive employment in the State predominantly spinning-oriented. The State textile industry has a significant presence in the national economy also. There are 3069 large, medium and small spinning mills in India, of which, 1889 are located in Tamilnadu. The spinning mills in the State comprise 18 Co-operative Spinning Mills (5 functioning), 17 National Textile Corporation Mills (7 functioning) and 1854 Private Mills (including 23 Composite Mills). Those spinning mills provide employment for around 2.40 lakh persons. The capacity of the spinning mills in the State is around 18.92 million spindles. The State produces about 1612 million kg. of spun yarn per year and this is about 40% of the spun yarn produced per year in the entire nation.

2.04 Garment and Hosiery

The Garment Sector in Tamil Nadu is one of the fast growing sectors in the textile industry. It is located substantially around Chennai City, with specialization in cotton fibre garments. The Hosiery Units in Tamil Nadu are located at Tiruppur and are manufacturing Knitwear Garments to the tune of Rs.11000 crore per annum. There are around 4000 knitwear and woven garment production units in the State provide employment to around 5 lakh persons.

2.05 Processing

The processing sector determines the core product value, product quality and has tremendous scope for innovations and control over the final output. Processing is an important value added segment in the Textile Industry. There are about 10397 Hand Processing Units and 2510 Power Processing Units in India, out of which 2614 Hand Processing Units and 985 Power Processing Units are located in Tamil Nadu.

PROFILE OF TEXTILE INDUSTRY

Item	All India	Tamil Nadu
SPINNING SECTOR		
No. of Spinning Mills	3069	1889
Workers (in lakh)	8.94	2.40
Spindles (in Million)	39.27	18.92
POWERLOOM SECTOR		
Powerlooms (in lakhs)	19.03	3.66
Workers (in lakhs)	47.57	9.14
HANDLOOM SECTOR		
Handlooms (in lakhs)	34.86	4.13
Weavers (in lakhs)	65.50	6.08
Handloom Cloth Production (Bn. Sq. Mt)	6.00	0.70
Value (Rs. in crore)	18000	1700
OTHER SECTORS		
Power processing	2510	985

units		
Hand processing units	10397	2614
Knitwear and Garment units	8000	4000

3. HANDLOOM DEVELOPMENT SCHEMES

3.01 Production of Dhoties and Sarees for Free Distribution Schemes

(i) Free supply of Dhoties and Sarees to the poor people during Pongal

The scheme of Free Supply of Dhoties and Sarees to the poor people as announced in the Budget for the year 2008-09 was implemented at a cost Rs.256 crore. This scheme provided continuous employment to 15,000 handloom weavers and 25,000 powerloom workers in the co-operative fold and fulfilled the clothing needs of nearly 3.053 crore poor people. Under this scheme, 152.15 lakh dhoties and 153.15 lakh sarees were produced by the Handloom and Powerloom Weavers' Co-operative Societies and supplied towards distribution for Pongal 2009. The distribution of Dhoties and Sarees for Pongal 2009 was inaugurated on 01.01.2009 by the Hon'ble Chief Minister.

The Government of Tamil Nadu issued orders to continue the scheme of Free Supply of Dhoties and Sarees to the poor people for the year 2009-10

and also sanctioned an amount of Rs.256 crore for the production and distribution of 159 lakh Dhoties and 159 lakh sarees during Pongal 2010.

(ii) Free Dhoties and Sarees to Old Age Pensioners during the festivals of Deepavali and Pongal

Dhoties and Sarees required for free distribution to Old Age Pensioners during the festivals of Deepavali and Pongal are also being produced annually through weavers Cooperatives in the State. During the year 2008-09, 5.71 lakh Dhoties and 23.50 lakh sarees to the value of Rs.33.04 crore were produced by the Societies and supplied. For production and distribution of Dhoties and Sarees required for Old Age Pensioners for the year 2009-10 about 6 lakh dhoties and 24 lakh sarees are being produced by the Societies.

3.02 Free Distribution of Uniforms to School Children

During the academic year 2008-2009, the Scheme of Free Supply of Uniforms to School Children has been implemented covering 56.95 lakh school children at the cost of Rs.56.09 crore.

Handlooms and Textiles Department produces the cloth material through Weavers Co-operative Societies and supply to the Departments of Social Welfare, Adi-Dravidar and Tribal Welfare, Backward Classes and Minorities Welfare, Most Backward Classes and Denotified Communities Welfare for distribution to the students.

This scheme has been continued for the academic year 2009-10 also. The entire requirement of Uniform cloth is being produced by the Handloom and Powerloom Weavers Co-operative Societies in the State. The details are:-

Name of the Department	Total quantity in lakh mtrs.	No. of beneficiary students (tentative)
Social Welfare	124.62	5363597
Adi-Dravidar and Tribal Welfare	20.80	291542
Backward Classes and Minorities Welfare	1.53	23624
Most Backward Classes and Denotified Communities Welfare	3.38	16998
Total	150.33	5695761

3.03 Free Power Supply to Handloom and Powerloom Weavers

The Government of Tamil Nadu is implementing the scheme of providing free power supply upto 100 units bimonthly to handloom weavers and 500 units bimonthly to powerloom weavers with effect from 01.08.2006. As on 31.03.2009, service connections are provided to 1,45,393 handloom weavers and to 1,05,224 powerloom weavers (who run their own powerlooms).

This scheme will be continued for the year 2009-10.

3.04 Rebate Subsidy Scheme

The Government of Tamil Nadu is providing financial assistance to compensate Rebate extended to customers so as to promote the sale of handloom cloth by reducing the price considerably so as to compete with powerloom and mill made cloths in the market. This scheme not only enables the primary weavers co-operative societies and Co-optex in liquidating their stock, but also aims at protecting the Handloom Industry from severe competition to safeguard the handloom weavers from the onslaught of the Mill and Powerloom Sector.

The primary weavers co-operative societies and Co-optex allow rebate for the sale of handloom cloth throughout the year for the retail and wholesale subject to a ceiling of 20% or Rs.100/- per unit whichever is less for cotton varieties and 20% or Rs.200/- per unit whichever is less for silk varieties.

During the year 2008–2009, a special rebate of 10% without ceiling in respect of sale of silk fabrics (cost exceeding Rs.2001/-) during selective festivals was granted. As a result of this special rebate at silk goods worth Rs.140.16 crore were sold.

Apart from this, on the eve of birthday of Perarignar Anna, an additional 10% Special rebate was allowed along with normal rebate of 20% on the sale of cotton and silk varieties with ceiling of Rs.150/- for cotton and Rs.300/- for silk. By availing this additional 10% special rebate, handloom goods worth Rs.324.25 crore were sold.

The Government of India also contributes to the Rebate Scheme and provides assistance under Marketing Incentive Component of Integrated Handloom Development Scheme. As per the guidelines, primary weavers co-operative societies are eligible to avail financial assistance under Marketing Incentive at 10% of the average sales turnover of previous 3 years. 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 Integrated Handloom Development Scheme will be borne by the State Government.

During the year 2008-09, Rebate Subsidy to the extent of Rs.118 crore were sanctioned to the Primary Weavers Co-operative Societies and Co-optex, of which, the Government of India have reimbursed a sum of Rs.35,85,32,101/- as Central assistance under Marketing Incentive Component of Integrated Handloom Development Scheme.

This apart, the Government of India, during the year 2008–2009, have also reimbursed a sum of Rs.4,05,75,828/- under the "Scheme for reimbursement of one time rebate @ 10% given on sale of handloom products" .

The Rebate Subsidy Scheme will be continued for the year 2009-10.

3.05 Integrated Handloom Development Scheme

The Centrally Sponsored Scheme, namely, "Integrated Handloom Development Scheme", which aims at facilitating sustainable development of handloom weavers located in identified handloom clusters into a cohesive, self managing and competitive socio-economic unit is being implemented in this State by the Government of Tamil Nadu.

The major components of Scheme are,

- (i) Cluster Development Programme;
- (ii) group approach for development of Handlooms;
- (iii) assistance for Handloom Organisations; and
- (iv) assistance for Innovative ideas and Publicity, Monitoring, Supervision, Training and Evaluation of Scheme

(i) Cluster Development Programme

The cluster development approach focuses on formation of weavers' groups as a visible entity so that the groups become self-sustainable. Under this programme, handlooms in the range of 300 to 500 looms grouped as handloom clusters and financial assistance to the tune of Rs.60.00 lakh is being provided for each cluster over a period of three years, for various components, such as, skill upgradation, purchase of new looms and accessories, setting up of dyeing units, common facility centers, opening of showrooms, conducting exhibition/fairs, publicity, providing of design inputs etc.

The financial assistance provided under various components of Cluster Development Programme is as below:-

Sl. No	Components	Financial Assistance per cluster	Sharing GOI: State
1	Baseline survey, diagnostic study formation of Self Help Groups	Rs.1.25 lakh one time	100% GOI
2	Formation of consortium	Rs.50,000/- one time	100% GOI
3	Corpus Fund for yarn Depot	Rs.3.00 lakh – one time	100% GOI
4	Design Development & Product Diversification	Rs.3.00 lakh for purchase of Computer Aided Textile Design system (CATD), colour forecast, trend forecast – one time.	50:50
		Rs.6.00 lakh for engaging designer – for 3 years	100% GOI
5	Common Facility Centre / Dye House (Ceiling of 50% of the total project cost)	Rs.30.00 lakh one time	Common Facility Centre – 100% GOI Dye house: GOI 80% : State 20%

Sl. No	Components	Financial Assistance per cluster	Sharing GOI: State
6	Publicity & Marketing (Ceiling of 20% of the total project cost)	Rs.50,000/- towards advertisement, brochure, catalogue – over a period of three years	75:25
		Rs.6.00 lakh for three exhibitions / fairs – over a period of three years	75:25
		Rs.3.00 lakh for six buyer seller meet – over a period of three years	75:25
		Rs.1.00 lakh towards market survey /intelligence – one time	75:25
		Rs.3.00 lakh towards awareness & exposure visit @ Rs.3,000 per weaver – over a period of three years	100% GOI
		Rs.25,000/- towards development and hosting of website – one time	100% GOI
7	Project management cost	Rs.7.20 lakh @ Rs.2.40 lakh per year over a period of three years.	100% GOI

The Government of India had sanctioned 9 clusters during 2008-09 at a project cost of Rs.512.34 lakh and released Rs.146.50 lakh towards first instalment. Besides, 3 more clusters at Esalem, Thirumalpur and Dadagapatti were also sanctioned by Government of India during the same year and the Cluster Programme is being implemented by Weavers Service Centre. Altogether, cluster development programme is being implemented in 40 handloom clusters in Tamil Nadu. The details are as below:-

Sl. No	Name of the Handloom Cluster	District	Year of Sanction	Project cost (Rs.in lakhs)
1.	Tiruchirapalli	Tiruchirapalli	Phase-I (2006-07) (Implementing Agency : Co-optex / Textile Committee)	200.00
2.	Tiruvanna malai	Tiruvanna malai		200.00
3.	Kurinjipadi	Cuddalore		200.00

Sl. No	Name of the Handloom Cluster	District	Year of Sanction	Project cost (Rs.in lakhs)	
4.	Nilaiyur	Madurai	Phase-II (2007-08) (Implementing Agency : Co-optex)	59.70	
5.	Veeravanallur	Tirunelveli		59.70	
6.	Pathirivedu	Thiruvallur		59.70	
7.	Jayankondam	Perambalur		59.70	
8.	Kandachi puram	Villupuram		59.70	
9.	Appakoodal	Erode		59.70	
10.	Sholingar	Vellore		59.70	
11.	Sirumugai	Coimbatore		59.70	
12.	Thandam palayam	Erode		59.70	
13.	Palani	Dindigul		59.70	
14.	Emanes waram	Ramanathapuram		Phase-III (2007-08) (Implementing Agency : Department of Handlooms and Textiles)	59.90
15.	Vengamedu	Karur			60.00
16.	Edappadi	Salem			52.60
17.	Dasappa Goundan pudur	Erode	59.08		
18.	Chennimalai	Erode	58.30		
19.	Pallyyadi	Kanniyakumari	58.50		
20.	Tiruppur	Tiruppur	59.00		
21.	Punalveli	Virudhunagar	55.00		
22.	Thirubuvanam	Thanjavur	58.10		
23.	Attayampatti	Salem	59.99		
24.	Vandiyur	Madurai	60.00		
25.	Sayarpuram	Tirunelveli	59.00		
26.	Chinnalapatti	Dindigul	59.00		
27.	Gudiyatham	Vellore	60.00		
28.	Pudupettai	Cuddalore	58.25		

Sl. No	Name of the Handloom Cluster	District	Year of Sanction	Project cost (Rs.in lakhs)
29.	Pillayar palayam	Kancheepuram	Phase-IV (2008-09) (Implementing Agency : Tamilnadu Handloom Development Corporation)	56.00
30.	Nadu veerappattu	Cuddalore		42.00
31.	Ayyampettai	Thanjavur		60.00
32.	Paramathivellore	Namakkal		60.00
33.	Pollachi	Coimbatore		59.75
34.	Paramakudi	Ramanathapuram		60.00
35.	Sellur	Madurai		54.59
36.	Srivilliputhur	Virudhunagar		60.00
37.	Doddampalayam	Erode		60.00
38.	Esalem	Villupuram		(2008-09) (Implementing Agency : Weavers Service Centre)
39.	Thirumalpur	Vellore	60.00	
40.	Dadagappatti	Salem	60.00	

The Cluster Development Programme will be continued during the year 2009-10.

(ii) Group Approach for development of handlooms

Handloom Weavers, who are not covered by clusters, will be benefited under 'Group Approach' component of Integrated Handloom Development Scheme. A Group should have preferably 10 weavers or more which can be in the form of Self Help Group / Primary Weavers Co-operative Society / other independent / individual weavers.

The pattern of financial assistance under the Group Approach of Integrated Handloom Development Scheme is as below:-

Sl. No	Component	Financial Assistance Rs.	Funding Pattern		
			GOI	GO TN	Beneficiary
1	Basic input				
	a) Margin Money	6000	70%	20%	10%
	b) Purchase of New Looms	8000	70%	20%	10%
	c) Purchase of Dobby	4000	70%	20%	10%
	d) Purchase of Jacquard	6000	70%	20%	10%
	e) Purchase of Loom Accessories	2000	70%	20%	10%

Sl. No	Component	Financial Assistance Rs.	Funding Pattern		
			GOI	GO TN	Beneficiary
2	Skill Upgradation Training (20 Weavers)				
	a) Weaving	3,00,000	100%	-	-
	b) Dyeing	1,00,000	100%	-	-
	c) Designing	50,000	100%	-	-
	d) Managerial Training	25,000	100%	-	-
3	Workshed (20 sq. mts area)				
	a) Below the Poverty line	25000	Rs. 25000 (100%)	--	-
	b) Above the Poverty line	25000	Rs. 18750 (75%)	6250 (25%) to be borne by State Government/ Beneficiary	

The Government of India have sanctioned Rs.6,58,01,225/- for implementation of 74 Group Approach Projects for the year 2008-09 and have released Rs.3,30,70,897/- towards first instalment. The Government of Tamil Nadu have released a sum of Rs.79,41,205/- towards the project. The project is in progress. The Group Approach Scheme will be continued during the year 2009-10.

(iii) Financial Assistance to the Handloom Organisations

a) Marketing incentive

Marketing Incentive is granted on the sale of handloom products to maintain price competitiveness in the market. It is extended to the State Handloom Corporations, Apex Co-operative Societies, Primary

Weavers Co-operative Societies and National Handloom Organisations. Handloom agencies are utilizing this amount towards activities to attract the consumers to improve sale of handloom goods. The quantum of financial assistance shall be 10% of the average sales turnover of the previous 3 years.

b) Strengthening of Handloom Organisations

Under the component of Strengthening of Handloom Organisations, financial assistance is provided towards restructuring of National and State Level Handloom Organisations such as Handloom Corporations, Apex Handloom Co-operative Societies etc., with a view to make them viable by enhancing their credit limit / working capital. The funding pattern under this component shall be on 50:50 sharing basis between the Government of India and the State Government.

(iv) Assistance for Innovative Ideas and Publicity, Monitoring, Supervision, Training and Evaluation of Scheme

Under this component, upto 10% of the project cost may be utilized towards innovative ideas and 2% of the project cost may be utilized towards Publicity, Monitoring, Supervision, Training and Evaluation of Scheme.

3.06 Interest Subsidy Scheme

The Handloom Weavers Co-operative Societies avail financial assistance for working capital through District Central Co-operative Bank under National Bank for Rural Development (NABARD) refinance scheme. With a view to enable the Handloom Weavers Co-operative Societies to compete with mills and other sectors, "Interest Subsidy Scheme" was implemented by the Government of Tamil Nadu for providing working capital at normal rate of interest and the interest subsidy of 3% was paid by the Government. However, the interest subsidy scheme was discontinued with effect from 01.10.2002.

The Government of Tamil Nadu have now re-introduced the interest subsidy scheme to Handloom Weavers Co-operative Societies and provide 4% subsidy from the year 2008-09 (with effect from 01.04.2008), thereby reducing the interest rate for the working capital. As per this system, the Handloom Weavers Co-operative Societies, after availing cash credit loan from District Central Co-operative Banks at the rate of interest charged by them will send interest subsidy claims to the Director of Handlooms and Textiles, which will be sanctioned on quarterly basis.

During the year 2008-09, Rs.7.17 crore was sanctioned towards interest subsidy for the quarter ended 30.6.2008, 30.9.2008 and 31.12.2008. Further, a sum of Rs.2.53 crore will be sanctioned for the quarter ended 31.03.2009. This scheme will be continued during the year 2009-10.

3.07 Special Project for Handloom Weavers under Swarna Jayanthi Gram Swarozgar Yojana (SGSY)

To motivate the handloom weavers, hitherto engaged in the production of products for Free Supply of Dhoties and Sarees Scheme, to enter into design development and product diversification for producing marketable varieties and ensure higher income, a special project for handloom weavers under 'Swarna Jayanthi Gram Swarozgar Yojana' has been implemented by the Handlooms and Textiles Department of the State at a total cost of Rs.2530.36 lakh. The various components covered under this project are as below:

Sl. No	Component	Project cost (Rs in lakh)
1.	Training and capacity building	110.02
2.	Design Development	163.15
3.	Skill upgradation	519.75
4.	Creation of additional employment and value addition	107.44
5.	Infrastructure Development and Asset Creation	220.00
6.	Technology Upgradation	980.00
7.	Marketing	430.00
Total		2530.36

The Government of India have released Rs.1085.94 lakh and the State Government have released Rs.361.98 lakh for the above scheme towards first phase.

The achievements made under the above scheme are as below:-

- (i) Training has been imparted to 12,506 handloom weavers in producing dress materials, furnishing, table cloth, floor mat, stole, shirting, sarees, kitchen linen, towels etc.
- (ii) 26,237 new designs have been developed.
- (iii) 2,096 new looms have been provided.
- (iv) 12,506 looms were upgraded with requisite accessories.
- (v) A separate brand name "IZHAI" for the products of this scheme had been created.

(vi) Brochures have been designed and developed.

(vii) Portal Design for this project has been designed and uploaded in Tamil Nadu Government website, in the address of www.izhai.tn.gov.in and launched by the then Hon'ble Minister for Local Administration and presently the Hon'ble Deputy Chief Minister on 19.03.2008 during Expo'2008.

(viii) A Documentary film titled "Oru Izhayin payanam" produced at a cost of Rs.30.00 lakh, by National Film Development Corporation was released on 19.03.2008 by the then Hon'ble Minister for Local Administration and presently the Hon'ble Deputy Chief Minister.

(ix) The fabrics produced out of this project are being converted into value added products. It is being done through surface ornamentation such as embroidery, different kinds of embellishments etc.

(x) The Fabrics are marketed through CO-OPTEX.

(xi) An exclusive air-conditioned showroom for "IZHAI" products has been inaugurated in Co-optex complex by the then Hon'ble Minister for Local Administration and presently the Hon'ble Deputy Chief Minister on 19.03.2008. Goods worth Rs.12.00 lakh have been sold through this outlet.

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

To safeguard the interest of the handloom weavers and the handloom industry, the Government of India have enacted the Handlooms (Reservation of Articles for Production) Act, 1985 and by that 11 items are exclusively earmarked for the production in handlooms. They are as below:-

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

The strict and effective implementation of the Handlooms Reservation Act, 1985 is monitored by an Enforcement Machinery in the State of Tamil Nadu consisting of Deputy Director (Enforcement) at Chennai and 5 Assistant Enforcement Officers at Tiruppur, Erode, Salem, Tiruchengode and Madurai. During the year 2008-09 about 41854 powerlooms were inspected by the enforcement.

Besides, to propagate the provisions of the Handlooms Reservation Act and safeguard the Handloom Industry, vigorous awareness campaigns organized periodically in powerloom concentrated areas.

The strict implementation and effective monitoring of the Handlooms Reservation Act, 1985 will be continued for 2009-10.

3.09 Prize Award Scheme for the Best Exporters

With a view to encourage the export trade of handloom cloth and to widen their market in foreign countries, the Government of Tamilnadu is implementing the scheme to award prizes to the Best Exporters in Tamilnadu. This scheme has been implemented from 1975. Under this scheme, Trophies and Certificates to the best exporters including primary weavers co-operative societies are distributed.

4. WELFARE SCHEMES FOR HANDLOOM WEAVERS

4.01 The Co-operative Handloom Weavers Savings and Security Scheme

The "Co-operative Handloom Weavers' Savings and Security Scheme" has been implemented in the State from the year 1975, to encourage the saving habits among handloom weavers. The Government of India had participated in the Scheme from the year 1985-86 to 2006-07 and contributed its share under the Central Thrift Fund Scheme.

Under this scheme, each Weaver of the Weavers' Co-operative Society contributes 8 paise per rupee of wages earned; the State Government is contributing 4 paise per rupee of wages. Accordingly, the total subscription of 12 paise is being deposited in the Government Account for which the State Government allows 9.5% interest. Out of this, 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 the Family Pension Scheme for handloom weavers. About 80,031 weavers as on 31.03.2009 are enrolled in this scheme.

The State Government of Tamil Nadu have sanctioned an amount of Rs.4,48,84,147/- for this scheme towards State's share and Rs.14,75,95,584/- towards interest on the deposits of Tamil Nadu Co-operative Handloom Weavers Savings and Security Scheme Fund Account for the year 2008-09.

4.02 Tamil Nadu Co-operative Handloom Weavers Old Age Pension Scheme

The Government of Tamil Nadu have been implementing Old Age Pension Scheme for handloom weavers coming under the co-operative fold with effect from 01.04.1997. The members enrolled in the Savings and Security Scheme on attaining the age of 60 years become eligible to avail Old Age Pension of Rs.400/- per month. Old Age Pension as on 31.03.2009 has been sanctioned to 15,338 handloom weavers. During the year 2008–2009, the Government of Tamil Nadu sanctioned Rs.669.81 lakh towards implementation of the Scheme. The scheme will be continued during the year 2009-10.

4.03 Tamil Nadu Co-operative Handloom Weavers Family Pension Scheme

The Tamil Nadu Co-operative Handloom Weavers Family Pension Scheme has been implemented by the Government of Tamil Nadu with effect from 01.01.1992. According to this scheme, in the event of death of a co-operative handloom weaver / member, before attaining the age of 60 years, the nominee of the deceased weaver will be paid Family Pension of Rs.550/- per month for 10 years from the date of death of the weaver. The Family Pension has been sanctioned to 1153 families of the deceased handloom weavers as on 31.03.2009. During the year 2008–2009, the Government have sanctioned an amount of Rs.74.16 lakh for this scheme and this scheme will be continued during 2009-10.

4.04 Health Insurance Scheme for handloom weavers

The Government of India have introduced a new Health Insurance Scheme for Handloom Weavers from the year 2005-06 with an objective to protect and improve their health condition. This Scheme has been implemented through ICICI Lombard General Insurance Company Limited.

Under this scheme, the total premium to be paid to ICICI Lombard General Insurance Company Limited would be Rs.781.60 per weaver per annum, of which, the Government of India's contribution is Rs.642.47, State Government's contribution is Rs.89.13 and the weaver's contribution is Rs.50/-. Apart from the State's contribution of Rs.89.13, the Government of Tamil Nadu is the first State to have shown the way by contributing the annual premium of Rs.50/- payable by the weaver on his behalf.

All handloom weavers are eligible under the scheme. From the year 2007-08, the scheme was also extended to ancillary handloom workers engaged in warping, sizing, dyeing, printing etc., Under this scheme, 2,89,023 weavers are enrolled as on 31.03.2009.

Under this scheme, 4 members of weaver's family are eligible to avail medical assistance upto Rs.15,000/- annually. The ICICI Lombard shall pay / reimburse expenses incurred by the weavers in course of medical treatment availed of in any of the empanelled hospital or nursing homes within the Country.

During the year 2008-09, the Government of Tamil Nadu have incurred an expenditure of Rs.4,02,11,770/- towards payment of premium to 2,89,023 handloom weavers / ancillary handloom workers.

The details of medical claims sanctioned and the amount settled by ICICI Lombard General Insurance Company Limited during the previous three years are as below:-

Sl. No.	Year	No. of Medical claims sanctioned	Amount paid (Rs. in lakh)
1.	2006-07	88377	964.58
2.	2007-08	137264	1287.95
3.	2008-09	525257	1523.17

This scheme will be continued during the year 2009-10.

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

The Insurance Scheme known as "Mahatma Gandhi Bunkar Bima Yojana" has been launched by the Government of India in collaboration with Life Insurance Corporation of India has been implemented by the Government of Tamil Nadu from 2004-05. The total premium payable 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 the premium of Rs.80/- payable by the weaver would be contributed by the Government of Tamil Nadu on behalf of the insurer. All handloom weavers are eligible under the Scheme. As on 31.03.2009, 2,39,120 handloom weavers have been enrolled under this scheme.

The Compensation to the insurer is as below:

a.	Natural Death	Rs.60000/- along with Co-optex contribution of Rs.15,000/-
b.	Accidental Death	Rs.150000/- along with Co-optex contribution of Rs.15,000/-
c.	Total Disability due to accident	Rs.150000/-
d.	Partial Disability due to accident	Rs.75000/-

In the past four years, Compensation of Rs.611.80 lakh has been paid to 1382 families of deceased handloom weavers.

The Government of Tamil Nadu on behalf of the weavers, during the year 2008-09, have paid Rs.1,91,29,600/- to the Life Insurance Corporation of India towards premium.

This scheme will be continued during the year 2009-10.

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

The wards of the weavers are encouraged to pursue higher studies by the award of scholarships by Dr. M.G.R. Handloom Weavers' Welfare Trust established in 1986, to one male and one female student in 29 disciplines and for undergoing coaching classes for Civil Services examinations. The students scoring highest marks in 10th and 12th Standard are also felicitated with cash awards.

The details of scholarship to the wards of weavers under Dr. M.G.R. Handloom Weavers' Welfare Trust are as below:-

Sl. No.	Discipline	Scholarship Amount Rs.
1	M.B.B.S./BDS/BE/B.Tech./BVSC.	3500
2	B.Sc.,Agri/Horticulture/B.Pharm	3000
3	B.Sc.,Nursing/Hotel Management and Catering	2500
4	M.E./M.Tech./MD/MS	3500
5	M.Com./MA/MSc./MBA/MCA/CA	3500
6	B.A./B.Sc./B.Com./BBA/BBM/BCA/B.Sc., (CS)	2500
7	Polytechnic	2500
8	I.A.S./I.P.S./Bank Officers Exam	2500
9	+2 Highest Mark	2500
10	10 th Highest Mark	2000
11	Diploma in Physiotherapy / Handloom Technology	3000

At present, 87 students are awarded with scholarship under this scheme. This scheme will be continued during the year 2009-10.

4.07 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 and also awarded with scholarships as detailed below:

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

The students are also paid Rs.60/- per month to purchase books. 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 Co-operative Union.

The wards of weavers 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. Now, 97 students are awarded scholarships under this scheme. This scheme will be continued during the year 2009-10.

4.08 Scholarship under Shiksha Sahayog Yojana

The Shiksha Sahayog Yojana is one of the components of Mahatma Gandhi Bunkar Bima Yojana. Under this scheme, scholarship is extended to the children (restricted to 2 children of each family) of handloom weavers who are members of the Mahatma Gandhi Bunkar Bima Yojana. The scholarship is provided for the 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.

The details of scholarship paid to the children of weavers for the past 5 years are as below:

Year	No. of Students	Amount paid (Rs.in Lakh)
2004-05	9473	85.26
2005-06	14424	148.58
2006-07	23555	250.37
2007-08	25970	216.80
2008-09	29545	284.68 (to be disbursed)

4.09 Prize Award Scheme for Best Talented Weavers

The Government of Tamil Nadu is implementing Prize Award Scheme every year for best weavers who have developed new designs in cotton and silk varieties etc., The prizes for the best designs are as below:

First Prize	:	Rs.5,000/-
Second Prize	:	Rs.3,000/-
Third Prize	:	Rs.2,000/-

The expenditure under this scheme is being met from the Co-operative Research and Development Fund of the Tamilnadu Co-operative Union (TNCU). This scheme will be continued during the year 2009-10.

5. OTHER INITIATIVES TAKEN BY THE DEPARTMENT

5.01 Encouragement to weavers in export activities

i) Deemed Exports

The Department of Handlooms and Textiles has given a thrust to Handloom Exports by encouraging the weavers to bring out export oriented production. At present, 24,357 looms in 394 weavers' co-operative societies are engaged in export oriented production through Deemed Exports. By engaging in the export business, the weavers are getting higher wages, apart from getting continuous employment. During the year 2008-09, export varieties such as bed linen, bedspreads, table linen, aprons, curtains, terri-towels, kitchen linen, napkins, floor mats etc., to the tune of Rs.291.81 crore have been exported.

During the year 2009-10, it has been proposed to engage more number of weavers in the export oriented production for increasing the export turnover to around Rs.325 crore.

ii) Handloom Export Zone

The Department of Handlooms and Textiles jointly with Handloom Export Promotion Council (HEPC) is implementing a Special Project to develop "Handloom Export Zones" in Nagercoil at a project cost of Rs.151.92 lakh for the benefit of 550 weavers.

The 1st phase of implementation was over and a sum of Rs.45.06 lakh was incurred. The Second phase is under implementation at an outlay of Rs.106.86 lakh.

Under the above project, emphasis is laid on skill upgradation and design development for the weavers for producing export varieties by having a link with the leading exporters, to help the weavers to earn more wages.

5.02 Conduct of Exhibitions

To promote marketing of handloom goods and to improve the level of awareness among the handloom weavers and general public in the interest of overall handloom sector, the Handlooms and Textiles Department has conducted 28 District Level Exhibitions at various places viz. Kancheepuram, Salem, Madurai, Dindigul, Tiruchirapalli, Thanjavur, Coimbatore, Tirunelveli, Nagercoil, Theni, Cuddalore,

Villupuram, Erode, Tiruvannamalai, Vellore, Virudhunagar, Ramanathapuram and Karur. Special Handloom Exhibition at Nagercoil and Coimbatore were conducted during the year 2008-09 with the financial assistance of Government of India. The total sales effected during the above Exhibitions was Rs.11.18 crore. Besides, National Handloom Expo was organized by Co-optex in Chennai during 2009 and sales to the tune of Rs.4.45 crore was generated therein. This apart, the Handlooms and Textiles Department has conducted 3 more exhibitions at Chennai and generated sales to the tune of Rs.0.85 crore.

This activity will be continued during the year 2009-10.

5.03 Waiver of Weavers Housing Loan availed from Housing and Urban Development Corporation (HUDCO)

To implement the House-cum-Workshed Scheme meant for Co-operative Handloom Weavers, HUDCO sanctioned loan to the handloom weavers. When the financial position of the weavers was not conducive to repay the loan, the Government of Tamil Nadu had agreed in principle to waive the Housing Loan of weavers as on 31.03.2008 and decided to make the payment to HUDCO as and when instalment of repayment falls due from the year 2008 – 2015 as per loan schedule. With regard to reimbursement of repayment already made to HUDCO by Co-optex, the Government have decided to settle the amount of Rs.2,71,16,934/- in three annual instalments. Accordingly, a sum of Rs.2,16,27,549/- due to HUDCO for the year 2008-09 and first instalment amount of Rs.90,38,978/- due to Co-optex have been sanctioned by the Government.

5.04 Powerloom Weavers Welfare Board

As announced in the Budget 2008-09, a welfare board for powerloom weavers has been constituted under the “Tamil Nadu Manual Workers (Regulation of Employment and Conditions of work) Act, 1982”. A sum of Rs. 1 crore has been allocated and the welfare measures would be implemented through this Board.

5.05 Modernisation of Warping and Sizing Unit

To fulfill the warping and sizing requirement of Weavers Co-operative Societies in Southern Districts, the Warping and Sizing Unit at Nagercoil has been modernised in March 2009 at a cost of Rs.30 lakh.

5.06 Setting up of Training Institute for weavers at Erode

The Handloom Industry has been exposed to severe competition from the onslaught of Powerloom and other sub sectors of the Textile Industry in the wake of Globalization. To equip the Handloom Weavers to face the competition and related challenges, they have to be trained in upgraded technologies of weaving. The training should be a continuous process for the weavers to upgrade their knowledge constantly.

On this basis, a Training Institute at Erode has been established at a cost of Rs.25.71 lakh to impart training to the Handloom Weavers enrolled in the Weavers Co-operative Societies.

The training will be imparted in batches of 50 weavers in a batch for a duration of one month. The institute will commence its function shortly.

5.07 Upgradation of Handlooms

Mechanization of pre-loom and post-loom activities was carried out in 25 handloom weavers' clusters at a cost of Rs.1.61 crore.

The Handlooms and Textiles Department is also taking steps to provide improved looms to the handloom weavers for production of Korvai varieties. To reduce the drudgery in weaving, technology upgradation in handlooms has also been undertaken

by the Department, so as to increase the productivity of the handloom weavers.

5.08 Training to Designers

To improve the marketing of handloom products 100 designers of handloom weavers co-operative societies have been given training on Computer Aided Textile Designs (CAD) in co-ordination with National Institute of Fashion Technology at a cost of Rs.5 lakh.

5.09 Setting up of Common Facility Centre

The Handlooms and Textiles Department would construct 50 Common Facility Centres in the weavers concentrated areas at a total cost of Rs.1.50 crore at the rate of Rs.3 lakh each. Construction

work in respect of 28 Common Facility Centres were completed and it is in progress in remaining 22 Centres.

5.10 Upgradation of Powerlooms

The Handlooms and Textiles Department has identified 1000 weavers in the powerloom concentrated areas, such as, Tiruchengode, Salem, Coimbatore, Erode and Madurai towards upgradation of powerlooms by providing a subsidy of Rs.5000/- each at a total cost of Rs.50 lakh during the year 2008-09. This is to upgrade the ordinary powerlooms into sophisticated powerlooms to improve the quality of products to match international standard.

5.11 Scheme for Integrated Textile Parks (SITP)

Two textile parks under the “Apparel Park for Exports Scheme (APES)” ; Four projects under the “Textile Centre Infrastructure Development Scheme (TCIDS)” and seven textile parks under the Scheme for Integrated Textile Parks (SITP) to upgrade the Handloom industry with world-class infrastructure facilities to meet international standards to augment export and generate employment, have been established in the State of Tamil Nadu by the Government of India at a total project cost of Rs.774.41 crore.

These Textile Parks generate direct and indirect employment. The details are as below:-

Sl. No.	Name of the Project	Project Cost (Rs. in Crore)	Year of Sanction	Direct Employment Generation (No. of persons)	Indirect Employment (No. of persons)	Date of Completion
Apparel Park for Exports Scheme (APES)						
1.	Netaji Apparel Park, Tiruppur	17.62	2002	7000	9000	Completed
2.	Apparel Park at Irungattu kottai	26.70	2004	10000	10000	Commenced Production
Textile Centre Infrastructure Development Scheme (TCIDS)						
3.	Kancheepuram	21.81	2004	Infrastructure Development		Completed (Except CETP)
4.	Windmill Project for TEKIC, Tiruppur	25.00	2003	Wind Power Generation		Completed
5.	Cauvery Hi-Tech Weaving Park, Kumara palayam	33.32	2005	1200	15000	Commenced Production

Sl. No.	Name of the Project	Project Cost (Rs. in Crore)	Year of Sanction	Direct Employment Generation (No. of persons)	Indirect Employment (No. of persons)	Date of Completion
Scheme for Integrated Textile Parks						
6.	Hi-Tech Weaving Park at Palladam	55.42	2005	2500	3500	Completed and Commenced Production
7	Hi-Tech Weaving Park at Kumara palayam	34.82	2006	1500	1500	
8.	Integrated Textile Park at Chengapalli, Erode District	149.45	2006	5000	7500	October 2009
9.	SIMA Processing Park at Cuddalore	112.60	2007	5000	15000	October 2009
10.	Integrated Textile Park at Madurai	87.86	2007	3000	4000	October 2009
11.	Integrated Textile Park at Karur	90.68	2007	3000	4000	October 2009
12.	Hi-Tech Weaving Park at Erode	63.02	-	2300	4000	Revised proposal sent to Government of India for approval
13.	Vaigai Hi-Tech Weaving Park, Andipatti	56.11	-	2580	15000	
TOTAL		774.41		43080	88500	

All these Special Projects help generate employment in the Rural and Semi Urban areas.

5 .12 Increase of Basic Wages of Co-operative Handloom Weavers

The longstanding grievance of the Co-operative Handloom weavers that their wages have not been revised for more than a decade has been redressed by increasing their wages by 10% with effect from 01.06.2008.

5 .13 Revision of Pay Structure of Employees of Weavers Co-operative Societies

The Pay Structure of Employees of Weavers Co-operative Societies was lastly revised on 01.07.1997. The Government, based on the request received from the Staff, revised the pay of the staff of

the Weavers Co-operative Societies based on the recommendation of Committee constituted to streamline pay structure. By revised pay structure, the Employees are getting 27% increase on their basic pay as on 31.12.2007. Around 4000 employees have been benefited.

6. PART II SCHEMES 2009-10

The following 6 schemes have been approved under Part II Scheme for the year 2009-10.

S.No.	Name of the Scheme	Amount (Rs. in lakh)
1.	Assistance for Marketing Promotion Activities	4.00
2.	Computerisation of the Directorate	20.00
3.	Purchase of 5 Air-conditioners for the conference hall of the Directorate of Handlooms and Textiles	2.00
4.	Purchase of 2 Digital Photo Copier Machines for the Directorate	2.00
5.	Documenting the traditional products of handloom clusters in Tamilnadu (Co-optex)	5.00
6.	Market Research Study of Handloom Industry (Co-optex)	7.00
Total		40.00

7. THE TAMIL NADU HANDLOOM WEAVERS' CO-OPERATIVE SOCIETY LIMITED (CO-OPTEX)

General

The Tamil Nadu Handloom Weavers' Co-operative Society Limited, popularly known as 'CO-OPTEX' was established in the year 1935 with the main objective to organize and promote the handloom industry in the co-operative sector. The organization thereby becomes the first Apex Handloom Weavers Co-operative Society to celebrate its Platinum jubilee. The main function of Co-optex is to supply yarn to Weavers Co-operative Societies and to market their products. Co-optex reaches the public with quality

handloom products through its 211 showrooms, of which 140 are within Tamil Nadu State and 71 are outside the State.

Co-optex is the nodal agency for the following Government schemes:-

- i. Free Distribution of Saree and Dhoti Scheme.
- ii. Free Distribution of Saree and Dhoti Scheme to Old Age Pensioners; and
- iii. Free supply of uniform to school children through Adi-Dravidar Tribal Welfare, Backward Classes, Most Backward Classes and Social Welfare Departments.

Performance during 2008-2009

During the year 2008-2009, Co-optex procured handloom and powerloom products worth Rs.375.52 crore from the weavers co-operative societies of the State. Co-optex has achieved a retail sales of Rs.153.78 crore including an export sales of Rs.3.49 crore during 2008-09, marking an improvement compared to the retail sales of Rs.131.02 crore achieved during the year 2007-08.

Co-optex ensures continuous employment to the weavers by introducing a policy change from seasonal procurement to monthly procurement for its retail sales. The retail sales procurement has improved to Rs.95.46 crore during the year 2008-09, compared to Rs.77.83 crore during the year 2007-08.

The introduction and adoption of various market friendly strategies by Co-optex has resulted in earning a record profit of Rs.12.35 crore during the year 2007-08. It is estimated that tentative net profit to be earned for 2008-09 will be Rs.12.50 crore after the completion of audit.

Design Intervention

Co-optex has been continuously engaged in introducing new designs with attractive colour combinations for its product range aiming at improving the overall sales. Some of the notable developments through improved design interventions are as below:

- (i) 'Thirukkural Silk Saree' with the image of Thiruvalluvar, legendary poet woven in the pallu and 1330 Kurals woven on the saree.
- (ii) 'Vanavil Silk Saree' woven with 5 different colours both in the warp and the weft to present variant colour combinations from every angle.

- (iii) A portrait of Mahatma the Father of the Nation woven in ahimsa silk using superior quality zari in which Dhandi Yathra and meeting with important National Leaders in the border.
- (iv) 'Chemmozhi Saree' woven by using the Tamil alphabets of உயிர் எழுத்து, மெய் எழுத்து, உயிர்மெய் எழுத்து as motif in pallu, border and body of the saree.
- (v) 'Deepam Collection', silk and cotton sarees with different kind of Deepams as motif was introduced during Deepavali 2008.
- (vi) 'Oliyum Oliyum' Silk Saree and Pavadai, with embroidery work having sound and light effect.
- (vii) 'Puthinam Silk Saree Collection' by recreating traditional designs of Kancheepuram Silk Sarees using the traditional motif and colour combinations.
- (viii) With an accent on the traditional value of the Silk and Cotton Sarees produced in traditional handloom centres of Tamil Nadu, during Deepavali 2008, they were named as Mangani Saree (Salem area), Renga Saree (Trichy and Jayankondam area), Parameswari Saree (Paramakudi area), Thanigai Saree (Ponnai and Sholingar area), Sirumugai Saree (Coimbatore area), Vannamayil Saree (Half Fine Zari Silk Saree Salem and Coimbatore area) Kothai Saree (Aruppukottai area), Deepam Saree (Coimbatore area) Angaiyarkanni Saree (Madurai and Dindigul area). This was with a view to attract niche customers.
- (ix) Design intervention, in addition to sarees, was also extended to home textile products such as Bedsheet, Bedcover, Bed spread, Table textiles, Kitchen textiles, Furnishing, Floor covering, etc. To popularize home textile products, an exhibition in the name of 'INIYA ILLAM' was conducted during December 2008 in Chennai.
- (x) Co-optex also introduced new design in men's wear highlighting the special features of each product. Some of them are,
- a) 'Platinum Shirt' produced out of super fine quality cotton
 - b) 'Geo Shirt' produced in 2 ply cotton yarn using dobby design
 - c) 'Eco Linen Shirt' produced in blend of cotton and natural linen yarn
 - d) 'Cotton Suiting' cloth produced in 100% cotton with special finish to provide soft feel in the material.

- (xi) 'Kurtha material' using fancy yarn in polyester viscose mix to attract the youngsters, Co-optex launched Yuva Collection Chudidhar material in woven, printed and embroidery ranges.
- (xii) During 2008-09, Co-optex has introduced 2055 new designs in its entire product range against the target of 2000.

Training for Weavers in Designing

Under weaver-cum-designer project programme, Co-optex has appointed 11 Freelance Designers and placed them at traditional handloom centres such as Kancheepuram, Arni, Coimbatore, Chennimalai, Bhavani, Kumbakonam, Paramakudi, Madurai, Dindigul, Aruppukottai, Jayankondam etc for imparting training to the weavers in designing. These Designers are providing necessary guidance in designing to the weavers for design development in addition to creating their own new designs. This step is to help the handloom weavers to adopt the modern trend in designing and produce customer friendly products. This programme has been implemented during 2008-09 with a project cost of Rs.15 lakh.

Market Intervention

- (i) To achieve increase in the Retail Sales, Co-optex has been conducting monthly exhibition at all important showrooms by displaying products suitable for a particular season, like winter and summer.
- (ii) Co-optex is also organizing Exhibition at a greater magnitude in important cities to attract and cater to the new customers.
- (iii) During the year 2008-09, about 154 Exhibitions were conducted and a sale of Rs.8.76 crore had been generated.
- (iv) To achieve effective inventory control and to improve the information system, 125 showrooms of Co-optex were computerized.
- (v) 50 showrooms of Co-optex have been modernized and air-conditioned at a cost of Rs.39.20 lakh; another 50 showrooms have been identified for air-conditioning.
- (vi) National Handloom Expo 2008 was organized in 2008-09 in which Handloom Weavers' Co-operative Societies all over the country participated and the sale was Rs.4.31 crore.
- (vii) National Handloom Expo was also organized during February - March 2009 in Chennai and sale to the tune of Rs.4.45 crore was effected.

Encouragement to Self Help Groups

Co-optex has entrusted the production of value added materials like bags, kids wear, readymade garments etc to the Self Help Groups and marketed their products such as Mattresses, Pillows, Children's bed, Children's cotton / wollen garments, Baby cradle Diapers, Napipads, Ladies handbags, Cell phone covers etc.

Administration

Co-optex has been keen on the welfare of its staff and has taken the following initiatives:

- (i) 15 days leave encashment.
- (ii) Award to the showroom that has achieved targeted sales. This has encouraged, 160 showrooms to register profit.
- (iii) Merger of 50% Dearness Allowance with basic pay with effect from 01.01.2009.

Programmes for 2009-2010

Co-optex proposed to achieve a retail sale of Rs.170 crore during the year 2009-2010 with the following interventions:

- (i) showroom wise product planning will be made with focus for each season well in advance;
- (ii) to evolve annual production plan which then will be converted into society wise production plan. This plan will be given to the societies in the beginning of the year enabling the societies to produce the required goods and make them available in time for retail sales at Co-optex showrooms;
- (iii) to programme monthly procurement on the basis of production plan to make payment to societies within 30 days time for the retail sales procurement;
- (iv) to improve the ambience of the showrooms, 10 showrooms will be taken up for modernization;
- (v) to improve the information system, computer system will be provided to Warehouses, Regional Offices and Head Office with local area network facilities to ensure day-to-day monitoring;
- (vi) to interact with IT companies to develop web based reporting system; and
- (vii) to create 2500 new designs utilizing the services of the freelance designers working at Co-optex.

8. CO-OPERATIVE SPINNING MILLS

During the period from 1958 to 1985, 18 Co-operative Spinning Mills were established in Tamil Nadu with spindle capacity of 4.70 lakh with the twin objective of providing employment to the rural masses and supplying quality yarn at reasonable rates to meet the requirement of hank yarn to Handloom Weavers Co-operative Societies and cone yarn to the Powerloom Weavers Co-operative Societies. Five Co-operative Spinning Mills are only functioning now. They are:-

- i, Bharathi Co-operative Spinning Mills, Ettayapuram (Thoothukudi District)
- ii, Anna Co-operative Spinning Mills, Andipatti (Theni District)
- iii, Krishnagiri District Co-operative Spinning Mills, Uthangarai (Krishnagiri District)
- iv, Pudukottai District Co-operative Spinning Mills, Aranthangi (Pudukottai District)
- v, Kanniyakumari District Co-operative Spinning Mills, Aralvaimozhi (Kanniyakumari District)

The above 5 Co-operative Spinning Mills are taking care of the hank yarn requirement of handloom weavers to certain extent.

9. TAMILNADU ZARI LIMITED

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 Tamilnadu Zari Ltd., is also undertaking the centralized quality checking of zari parcels received from out-sourcing as per the allotment order of the Centralized Purchase Committee for Zari. The company also undertakes testing the quality of zari and zari made fabric by Non-Destructive Testing method through X-Ray Fluorescence Analysers installed at the testing centres in Kancheepuram, Salem and Chennai. To cater to the zari requirement of Kumbakonam area, the Tamil Nadu Zari Limited has established a branch unit in Kumbakonam in 1999.

Performance for the year 2008-09

- (i) the company has produced 34429 zari marcs and sold to a value of Rs.22.32 crore;
- (ii) 2044 samples of zari have been tested by charging a nominal fee.

(iii) 12853 samples of zari of silk sarees, pavadais and dhothies were tested through the X-Ray Fluorescence Analyser and a sum of Rs.2,59,084/- was collected as testing fees.; and

(iv) The company has a technical partnership with the Kumaraguru College of Technology and Technology Information Forecasting Assessment Council for assistance to upgrade the Technology for the silver thread making process.

Action Plan of Tamil Nadu Zari Limited for 2009-10

The Company has planned to produce and supply 81000 zari marcs during the year 2009-10.

10. TAMILNADU HANDLOOM DEVELOPMENT CORPORATION LIMITED

The Tamil Nadu Handloom Development Corporation Limited was established in Chennai during 1964 with the objectives of providing financial assistance to the non-cooperative fold weavers, engaging themselves in 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 has been subscribed by the members. At present, the Corporation has 11841 members and during 2008-09, it has sanctioned loan to 375 members to the extent of Rs.125.83 lakh.

The Corporation, as a part of diversifying its activities, is engaged in the cotton yarn sales under the Mill Gate Price Scheme in coordination with National Handloom Development Corporation (NHDC). The Corporation is the Marketing Co-ordinator for the Loom world chain of stores and implementing agency for Cluster Development Programme for 9 Handloom Clusters in Tamil Nadu.

11. TAMILNADU TEXTILE CORPORATION LIMITED (TNTC)

Tamil Nadu Textile Corporation Limited was established in Coimbatore in the year 1969 to provide employment to the workers of the closed textile units and to provide rehabilitation measures to the textile industry. The Corporation has 2 Powerloom Complexes with a capacity of 96 looms one each at Aruppukottai and Sivagiri. Further, the Corporation is having one autoloom shed with 12 autolooms and 24 plain looms at Kurichi in Coimbatore. The Corporation produces polyester suiting and shirting cloth varieties in Kurichi Autoloom Shed, Sivagiri and Aruppukottai Powerloom complexes.

The Corporation undertakes production of white shirting cloth, blue dhavani cloth and casement cloth required for the Free Supply of Uniform Scheme for school children. The Corporation also

undertakes the supply of polyester uniform cloth to the State Transport Corporation, Tamil Nadu Electricity Board, Cooperative Sugar Mills, Tamil Nadu Cements, Police Department and other public sector undertakings. Thus, the corporation has significant hold on the institutional market of the State.

The sales turnover of the Corporation during the year 2008-09 was Rs.13.26 crore and the profit would be Rs.8.21 lakh (tentative).

Action plan for 2009-10

The Corporation has planned to produce more than 15 lakh metres of cloth under Free Supply of Uniforms to School Children Scheme and Free Distribution Scheme of Sarees and Dhories during Pongal and to meet out the cloth requirements of Government Institutions to the approximate value of Rs.9 crore from its own production.

- (i) The Corporation has planned to procure approximately 50 lakh metres of white shirting cloth, dhavani cloth from powerloom weavers' co-operative societies for supply intended for Government schemes to an approximate value of Rs.13 crore.

12. TAMIL NADU CO-OPERATIVE TEXTILE PROCESSING MILLS LIMITED

The Tamil Nadu Co-operative Textile Processing Mills Limited in Erode undertakes various processing activities such as Bleaching, Dyeing, Mercerizing, Printing and finishing of cotton/ synthetic fabrics. The mill has the capacity to process about 18 lakh metres of cloth per month. The mill mainly undertakes processing of cloth required for uniform scheme of the Government, Tamil Nadu Khadi and Village Industries Board, Powerloom Weavers' Co-operative Societies, Handloom Weavers' Co-operative Societies, Sarvodaya Sangam, Central Prison and Handloom Development Corporations of Kerala and Karnataka and also of Private Exporters and Institutions for processing and printing of fabrics.

Achievements for 2008-09

- (i) the business turnover was Rs.9.30 crore with a net profit of Rs.5.21 lakh (tentative);
- (ii) the Reverse Osmosis Plant and Reject Management System at a cost of Rs.1.70 crore were installed in the mills; and
- (iii) the quality management system has been effectively maintained as per ISO 9001 : 2000 norms in production department.

Action plan for 2009-10

- (i) to modernize the existing unit by replacing the old machineries and equipments at a cost of Rs.80 lakh to enhance productivity and quality ;
- (ii) to create a web-site; and
- (iii) to obtain ISO 14001 certification .

13. TAMILNADU CO-OPERATIVE SPINNING MILLS FEDERATION LIMITED (TANSPIN)

The Tamilnadu Co-operative Spinning Mills Federation Limited (TANSPIN) was established in Chennai in the year 1994 to streamline the procurement and supply of cotton to the Co-operative Spinning Mills in Tamil Nadu. The main objective of the federation is to procure and supply good quality cotton at reasonable prices to member Co--operative Spinning Mills in the State and also to co-operative institutions and Federations all over India. For this purpose, the Government of Tamil Nadu have 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 2008-09, the TANSPIN has purchased and supplied 7300 bales of cotton to the member Co-operative Spinning Mills. The turnover of TANSPIN for 2008-09 was Rs.9.75 crore and the profit will be Rs.4.32 lakh (tentative).

14. BUDGET PROVISION FOR THE YEAR 2009-10

A provision of **Rs. 533.93 crore** has been made in the Budget Estimate for the year 2009-10 under Demand No.17 Handlooms and Textiles as detailed below:-

Sl. No	Name of the Scheme	Budget Estimate 2009-10 (Rs. in lakh)
1	Free Distribution of Dhoties and Sarees Scheme (including handling charges of Co-optex)	26880.00
2	Free Electricity to Handloom Weavers	1120.00

Sl. No	Name of the Scheme	Budget Estimate 2009-10 (Rs. in lakh)
3	Free Electricity to Powerloom Weavers	6684.00
4	Rebate on sale of handloom cloth	4000.00
5	Marketing Incentive / Rebate under Integrated Handloom Development Scheme	7800.00
6	Cluster Development Programme under Integrated Handloom Development Scheme	1000.00
7	Group Approach for Development of Handlooms under Integrated Handloom Development Scheme	1000.00
8	Co-operative Handloom Weavers Savings and Security Scheme	448.85
9	Health Insurance Scheme for handloom weavers	417.39
10	Payment of premium under Mahatma Gandhi Bunkar Bima Yojana	201.78
11	Old Age Pension and Family Pension Schemes for co-operative handloom weavers	395.00
12	Interest Subsidy to Primary Weavers Co-operative Societies	1200.00
13	Establishment of Enforcement Machinery	168.02
14	Powerloom Census (Rent	0.25

Sl. No	Name of the Scheme	Budget Estimate 2009-10 (Rs. in lakh)
	for Powerloom Service Centre, Erode)	
15.	Deendayal Hathkargha Protsahan Yojana Scheme	0.04
16.	Assistance to Powerloom Weavers' Welfare Board	100.00
17.	Assistance for Market Promotion Activities	4.00
18.	Documenting the traditional products of handloom clusters in Tamil Nadu	5.00
19.	Market Research Study of Handloom Industry	7.00
20.	Secretariat Economic Services (Salaries of Staff and other Administrative expenses)	223.08
21.	Administrative expenses (Including Pay and Allowances of staff)	1403.28
22.	Waiver of HUDCO Loan	300.00
23.	Establishment expenses of Handloom Weavers Training Centre at Erode	20.64
24.	Loans to Co-operative Spinning Mills	0.01
25.	Ways and Means Advance to Co-operative Spinning Mills due to TEXCO	0.01
26.	Weavers-cum-Designer Project	15.00
TOTAL		53393.35

**K.K.S.S.R.RAMACHANDRAM
MINISTER FOR BACKWARD CLASSES**