

HANDLOOMS AND TEXTILES

POLICY NOTE FOR THE YEAR 2006-07

Demand No. 17

1. INTRODUCTION

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

Handloom Sector occupies a place of pride in preserving the country's heritage and culture and plays a vital role in the economy of the country. It has a long tradition par excellence in its craftsmanship. The Powerloom Sector in Tamil Nadu has also been playing an important 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 looms.

The Textiles Sector in Tamil Nadu is predominantly in the private sector, spinning oriented and labour-intensive because of the preponderance of the decentralized sector in most of the segments of the industry. The Textile Industry has a very important role to play in the industrial field with regard to employment potential, overall economic and commercial activities. This Industry enables the Central and State Governments to earn substantial revenue besides foreign exchange through exports.

2. ACTIVITIES OF THE DEPARTMENT

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

The Director of Handlooms and Textiles is the "Functional Registrar" for the Handloom and Powerloom Weavers' Cooperative Societies and other Cooperative Institutions connected with the Industry throughout the State and is vested with powers delegated under the Tamil Nadu Cooperative Societies Act and Rules.

The Director of Handlooms and Textiles 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, Hosiery units, Handlooms and Powerlooms. The Department has the overall responsibility for ensuring the availability of rawmaterials 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.

The Department of Handlooms and Textiles also 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.

Various Institutions functioning under the administrative control of the Department are as follows:-

- 1232 Handloom Weavers' Cooperative Societies
- 133 Powerloom Weavers' Cooperative Societies
- 18 Cooperative Spinning Mills (At present, 5 Cooperative Spinning Mills viz. Anna, Bharathi, Pudukottai, Kanyakumari, 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.

3. HANDLOOM SECTOR

As per the 1987 Handloom Census, there are 4.29 lakh Handlooms in Tamil Nadu. Out of which, 2.17 lakh are under Cooperative societies. Handloom Industry in Tamil Nadu provides employment for a population of about 6.63 lakh. Out of these, 2.64 lakh are in the Cooperative Societies. As on 31.03.2006, there are a total of 1232 Handloom Weavers' Cooperative Societies in Tamil Nadu almost evenly spread over both rural and urban clusters.

The average annual production of handloom cloth in the State is about 2500 lakh metres, of which, contribution made by handloom cooperatives is around 1200 lakh meters. Average annual sales of handloom cloth is Rs.1500 crore, of which, the sales by handloom cooperatives accounts for Rs.700 crore. The average annual export of handloom cloth by Tamil Nadu is Rs.600 crore, of which export sales by Handloom cooperatives through Merchant Export is around Rs.260 crore.

In the context of opening up of global textiles market, the approach of the Government is to 'sustain the handloom industry' and 'continue to provide livelihood

to the Lakhs 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.

4. POWERLOOM SECTOR

There are 4.50 lakh Powerlooms in Tamil Nadu, providing employment to about 9.14 lakh workers. Out of this, 32,087 Powerlooms are under cooperative sector.

The Powerloom Weavers' Cooperative Societies mainly produce the cloth required for the Scheme of Free supply of Sarees and Dhoties and Scheme of Free supply of Uniforms to School Children. The average annual cloth production by Powerloom Weavers' Cooperative Societies is around 1000 lakh metres valued at Rs.160 crore.

The Powerloom Industry faces two major challenges at present - one pertains to **"low productivity"** and the other relates to **"Low level of skills of the persons engaged"** in the Industry. Therefore, the Government will act as a facilitator to provide appropriate infrastructure at enhancing productivity and skills. The infusion of 'upgraded technology looms' and establishment of more number of 'hi-tech powerloom weaving parks' are likely to ensure these. Large-scale training will be imparted to the persons to meet the requirement of the industry. All these measures will ensure generation of gainful employment and would also enhance productivity.

5. TEXTILE SECTOR

(i) Textile Mills

Textile sector in Tamil Nadu has been a forerunner in providing massive employment, and it is 'predominantly spinning-oriented' and that too of cotton spinning. There are 2950 large, medium and small spinning Mills in India, of which, 1734 Mills are located in Tamil Nadu. These include 18 Cooperative Spinning Mills, 8 National Textile Corporation Mills and 26 Composite Mills. The spinning capacity of these Mills is 16.44 million spindles with a labour force of about 2.31 lakh. The quantity of yarn produced by this State is slightly more than one third of the total yarn production in the country.

During the year 2004-05, 3223.52 million kg. of yarn was produced in the country, of which, Tamil Nadu contributed 1261.98 million kg. of yarn. Successively this State is the No.1 producer of various varieties of yarn in the country.

The Government will devise suitable measures to facilitate that the Textile Industry grows at the rate of 18% per annum. The Government will also take efforts to address the labour laws related issues aiming at achieving the above growth. The required skilled labour force will be generated by creating new infrastructure and also by strengthening the existing ones.

(ii) Cooperative Spinning Mills

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

Out of 18 Cooperative Spinning Mills set up in Tamil Nadu, the following 5 Cooperative Spinning Mills are functioning at present.

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

6. GARMENTS AND HOSIERY SECTOR

The Garment sector is one of the fast growing segments of the Textile Industry in Tamil Nadu. There are about 400 garment units in the State providing employment to about 2 lakh persons contributing Rs.2500 crore in foreign exchange.

In Hosiery sector in the State, most of the units are located in Coimbatore District. There are about 8000 hosiery units in India, of which 4000 units are located in Tamil Nadu. The hosiery sector in Tamil Nadu is providing large scale employment to around 3 lakh persons and contributes 44% of Country's export. It contributes about Rs.8000 crore in foreign exchange.

7. PROCESSING SECTOR

Processing is an important value added segment in the Textile Sector. There are about 10397 Hand Processing Units and 2510 Power Processing Units in India, of which, 2614 Hand Processing Units and 985 Power Processing Units are located in Tamil Nadu. Out of 985 Power Processing Units in the State, 713 Units are located in Tiruppur.

The availability of processing facilities is inadequate and also the technology adopted is low since most of these units are of hand processing type.

The State Government is taking initiative to set up one exclusive Processing Park at Cuddalore under the Scheme of Integrated Textile Park launched by Government of India. SIPCOT has allotted 300 acres of land for this purpose and the works have commenced.

Environmental and Human Resource Development issues:-

To attain the growth rate at 18% in textile sector as envisaged in the National Textile Policy 2000, it is necessary to create a conducive atmosphere by providing:- (i) Good environment ; and (ii) Adequate skilled manpower to the growing industry.

Since, water is required in plenty for the processing units situated in and around Coimbatore, Tirupur, Erode, Karur, etc., it is necessary to adopt appropriate technology. Therefore, the focus of the Government will be to identify and bring in appropriate technology to sort out environmental issues in consultation with the industry stakeholders.

Training

Thanks to the liberalization of global trade, the demand for the Indian Textile goods has increased manifold. Textile units have started installing Modern Hi-Tech machineries to increase the production capacity and also to meet the international standards in quality. This necessitates supply of skilled manpower in more numbers to the textile industry.

Government will take suitable steps to start training courses covering the process of ginning to finishing in Textiles Sector in the existing Industrial Training Institutes (ITIs) and Polytechnics to meet the growing demand of the Sector and the rural youth-particularly in the Southern and Backward Districts will be trained and suitably accommodated in the textile units, across the State.

8. INITIATIVES TAKEN BY THE DEPARTMENT

8.01 Design Development

The Fashion trend is changing constantly and the sector has to necessarily change its approach. Since producing fabrics as per the consumers' requirement is the need of the hour, the Department is giving priority to the design development work. A Design Intervention Project at a cost of Rs.40.00 lakh has been entrusted to the National Institute of Designs, Ahmedabad. Under this project, 750 new designs are being developed and would be popularised in Vilandai, Gudiyatham, Thirubhuvanam, Kurinjipadi, Manjamedu, Uraiyur, etc., clusters.

For the first time, the Department has also decided to develop designs for each season i.e., summer, spring, winter, autumn. In the first phase, newly designed shirts ready to wear were produced and launched for sale during summer 2006. Designs for the remaining seasons are being developed and will be launched for sale during this year.

8.02 Encouragement of weavers in export activities

The Department has given a thrust to handloom exports by encouraging the weavers to bring out export-oriented products. More than 26900 Looms in 340 Weavers' Cooperative Societies are now engaged in Export Oriented Production. Apart from this, Co-optex is also engaged in Direct Export. By engaging in the export business, the weavers, apart from continuous employment also get higher wages. During the year 2005-06, handloom goods for Rs.264.36 crore have been exported by the Weavers' Cooperative Societies; total value of export of handloom goods from Tamil Nadu being Rs.600 crore.

8.03 Product diversification

Weavers are also being encouraged to change over to marketable varieties and better value-added products such as home furnishings, foot-mats, made-ups, kitchen materials, other utility items, etc. To capture the consumer market, production of marketable / exportable varieties are encouraged and suitable action plans have been put in place by the Department.

8.04 Registering Handloom products under Geographical Indications Act

With a view to protect the ' traditional Indian heritage', handloom products such as "Kancheepuram Silk Sarees", "Bhavani Jamakkalam" and "Madurai Sungudi Sarees" have been registered under Geographical Indications Act.

8.05 Setting up of Apparel Parks

With a view to set up Apparel Manufacturing Units on par with international standards and to boost exports, two Apparel Parks have been set up one at Tiruppur and other at Irungattukottai near Chennai at a total project cost of Rs.600 crore including the Government of India's assistance of Rs.29.43 crore. The establishment of Park at Tiruppur has been completed and it has also commenced production.

With regard to Apparel Park at Irungattukottai also, the basic infrastructures have been created. The Park, expectedly, would commence production by the financial year end.

The Apparel Park at Tiruppur with an annual export turnover of Rs. 1500 crore would ultimately provide direct employment to about 7000 persons. Similarly, the Park at Chennai will provide employment to about 10,000 persons and the expected value of exports will be around Rs.2000 crore on its completion.

8.06 Implementation of Textile Centre Infrastructure Development Scheme

Two Comprehensive projects aiming at providing basic infrastructure facilities such as Road, Power, Water supply, Training Centre etc for the existing textile units to boost production and exports under the "Textile Centre Infrastructure Development Schemes" are being implemented in the Textile cities of Kancheepuram and Tiruppur.

The total outlay of the Kancheepuram project is Rs.21.81 crore, of which, the Government of Tamil Nadu has released Rs.5.00 crore as an advance including their share of Rs.2.71 crore. So far, 43% of the works have been completed and the balance works are also likely to be completed before the year end.

A Wind Power Project aiming at supply of uninterrupted power at lower rates to the export units situated at Tiruppur is under implementation at a total cost of Rs.25 crore with 50% subsidy from the Government of India.

8.07 Establishment of Hi-Tech Weaving Parks

" Cluster approach " is found to be the most appropriate module to attain the economy of scale and to compete in the International Market. Therefore, the Government have decided to establish Hi-Tech Weaving Parks in the following three places.

1. Cauvery Hi-Tech Weaving Park, Kumarapalayam;
2. Vaigai Hi-Tech Weaving Park, Andipatti; and
3. Palladam Hi-Tech Weaving Park, Palladam.

The details of total project cost, amount sanctioned by the State Government, employment potential and anticipated production, etc., are as follow:

(Rs. in crore)

S No.	Name of the Park	Project cost Rs.	Amount released by the State Government Rs.	Employment potential (No. of persons)	Expected production Rs.
1.	Cauvery Hi-Tech Weaving Park, Kumarapalayam	109.98	3.98	1200	300.00
2.	Vaigai Hi-Tech Weaving Park, Andipatti	96.21	4.37	1500	300.00
3.	Palladam Hi-Tech Weaving Park, Palladam	118.34	4.87	2000	300.00
Total		324.53	13.22	4700	900.00

The construction process of loomsheds and other works are under progress and the above projects are likely to be completed by the end of the current financial year.

8.08 Establishment of Composite Textile Park at Karur

A proposal for the establishment of a Composite Textile Park at Karur at a cost of Rs.66 crore with the financial assistance from the United Nations Industrial Development Organization (UNIDO) has been sent to Government of India for consideration.

8.09 Integrated Handloom Training Project

The Integrated Handloom Training Project (IHTP) introduced by the Government of India is being implemented from the year 2003-04 onwards. Under this scheme, Training in Weaving, Dyeing and Design Development is being given to the weavers / designers, so as to upgrade their skills. Further, Managerial Training is also being given to the Managers of Weavers' Cooperative Societies. The training under the scheme is being imparted through Primary Weavers' Cooperative Societies, Weavers' Service Centres and Non-Governmental Organizations involved in the Handloom Sector. Under this scheme, so far Training has been imparted to 3120 beneficiaries.

8.10 Special Project for handloom weavers under Swarna Jayanthi Gram Swarozgar Yojana Scheme

In order to encourage 19,500 weavers and 4,500 wards of Handloom weavers engaged in the production of ' low-cost sarees and dhotis ' for the production of marketable varieties and value added products, a comprehensive special project under Swarna Jayanthi Gram Swarozgar Yojana at a total cost of Rs.25.30 crore is under implementation. Under this scheme, assistance for training and capacity building, design development, skill upgradation, technology upgradation, infrastructural development and marketing are being provided. A sum of Rs.11.58 crore has been released (Central share Rs.8.69 crore + State share Rs.2.89 crore) towards implementation of the Project.

In the first phase, training has been imparted to 6358 weavers and the remaining weavers will be given training in a phased manner. So far, 10,000 designs have been developed and converted into products like sarees, dress materials and shirtings, bed linen, curtains, kitchen linen and mats. The looms owned by every weaver under this project are upgraded by replacing old accessories. So far, 5019 looms have been upgraded and it is proposed to complete the programme by the end of the current financial year.

8.11 Growth of the Textile Sector in the State

With the phasing out of quota regime, there is tremendous scope for the Indian Textile Industry in general and the State Textile Industry in particular to reap the advantages of post quota free regime. The State share of cloth production is 12000 million sq. metre (about 27%) and is expected to reach upto 27000 million sq. metre. 16 new Spinning Mills have come up during 2005-06 with 6.20

lakh spindle capacity. Additional investment made in this sector alone was to the tune of Rs.5000 crore.

Likewise, 50 new garment units have been set up and around 300 knitwear export units have expanded their capacity. With an investment of about Rs.700 crore, these have created an additional employment to about 15000 persons.

Under 'Technology Upgradation Fund Scheme ', 4383 projects were approved at the cost of Rs.33568 crore. The share of Tamil Nadu under the above scheme has been 22%. The operation of the scheme has been instrumental in giving fillip to the growth of Textile Industry. However, as the scheme is going to expire by 31.3.2007, for the overall development of the textiles sector, the State Government has requested the Government of India to continue this during the entire XI Five Year Plan period.

9. WELFARE SCHEMES FOR HANDLOOM WEAVERS

With a view to improve the socio-economic condition of the handloom weavers, the following welfare schemes are being implemented by the Government of Tamil Nadu.

9.01 The Co-operative Handloom Weavers' Savings and Security Scheme

To encourage saving habits among handloom weavers, the State Government has introduced the "Cooperative Handloom Weavers' Savings and Security Scheme" from the year 1975. 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. 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 31.3.2006, 70316 weaver members were enrolled in the scheme.

During the year 2006-07, a sum of Rs.1300.00 lakh would be contributed to the Savings and Security Scheme Fund Account, of which, contribution by State Government will be around Rs.325.00 lakh. A sum of Rs.525.00 lakh has been provided in the Revised Budget for the year 2006-07.

9.02 Central Thrift Fund Scheme

The Central Thrift Fund Scheme is a parallel scheme to the Co-operative Handloom Weavers' Savings and Security Scheme introduced by the Government of India from the year 1985-86. As per the funding pattern of the scheme, apart from the contribution of 8 paise per rupee of wages earned by a weaver, the Government

of India contributes 4 paise per rupee of wages earned by the weaver member synchronizing with the State Government's contribution of 4 paise. The weavers belonging to cooperative sector are covered under the scheme.

A provision of Rs. 660.00 Lakh has been made in the Revised Budget for the year 2006-07 under Central Thrift Fund Scheme.

9.03 Tamil Nadu 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 Security Scheme Fund Account. At present, 787 families of deceased handloom weavers are getting family pension under the scheme.

9.04 Cooperative Handloom Weavers' Old Age Pension Scheme

The Government of Tamil Nadu have 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 Security Scheme Fund Account. At present, 11925 handloom weavers are getting Old Age Pension under the scheme.

9.05 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 have also participated in this scheme from the year 1985-86 onwards.

The present pattern of assistance for one unit of House-cum-Workshed is as follows :-

(In Rupees)

DETAILS	RURAL	URBAN
State Government Subsidy	7000	7000

Government of India subsidy	18000	20000
HUDCO Loan	40000	40000
Beneficiary Contribution	3000	5000
Total	68000	72000

For implementation of this scheme, a provision of Rs.50.00 lakh has been made in the Revised Budget for the year 2006-07.

9.06 Workshed Scheme

The Government of India have been extending financial assistance for construction of worksheds to the dwelling of 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 for one unit of Workshed is as follows :-
(In Rupees)

DETAILS	RURAL	URBAN
Government of India subsidy	7000	10000
Beneficiary Contribution	2000	4000
Total	9000	14000

A provision of Rs.660.00 lakh has been made in the Revised Budget for the year 2006-07 towards implementation of this Scheme.

9.07 Mahatma Gandhi Bunkar Bima Yojana Scheme (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 Scheme, 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 the 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 the premium on behalf of the members enrolled.

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

- | | | |
|------|----------------------|------------|
| i) | For Natural Death | Rs.50000/- |
| ii) | For Accidental Death | Rs.80000/- |
| iii) | For Total Disability | Rs.50000/- |

- iv) For Partial Disability Rs.25000/-

Under Mahatma Gandhi Bunkar Bima Yojana Scheme, Scholarship will be paid to the Children of handloom weavers (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.

Under this Scheme, 1,17,220 handloom weavers in the Cooperative fold alone were enrolled initially and premium has been paid on behalf of these weavers.

Now, it has been decided to extend the above Insurance Scheme to other handloom weavers also, so as to provide the benefits to all the handloom weavers (i.e.) handloom weavers outside the Cooperative fold. In the first phase, 1916 such handloom weavers from Karaikudi area have been enrolled and identification Cards for the enrolment of these handloom weavers under Mahatma Gandhi Bunkar Bima Yojana Scheme issued on 24.06.2006.

Towards payment of premium under the Scheme, a provision of Rs.163.93 lakh has been made in the Revised Budget for the year 2006-07.

9.08 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 in the place of earlier Health Package Scheme for Handloom Weavers. The Health 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 the State of Tamil Nadu, the weaver's contribution of Rs.200/- will be paid by the State Government on behalf of weavers.

Under this scheme, each weaver family will be entitled for medical assistance to a maximum of Rs.15,000/- per annum.

The details of benefits under the scheme are as follows:

(In Rupees)

Sl. No.	Description	Limits
	Annual Limit per family (1 + 3)	15,000
	<u>Sub-Limits per family</u>	
1.	All pre-existing diseases + new diseases	15,000
2.	Maternity benefits (per child for the first two)	2,500
3.	Dental Treatment	250
4.	Eye Treatment	75
5.	Spectacles	250
6.	Domiciliary Hospitalization	4,000
7.	Ayurvedic/Unani/Homeopathic / Siddha	4,000

8.	Pre-Hospitalisation / Post Hospitalisation	15,000
9.	Baby coverage	500
10	OPD	7,500

Under Health Insurance Scheme, a weaver or his family 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 bills.

Under this Scheme, 1,26,966 handloom weavers in the Cooperative fold alone were enrolled initially and premium have been paid on behalf of those weavers.

Now, it has been decided to extend the above Insurance Scheme to other handloom weavers, so as to provide medical assistance to all the handloom weavers including the handloom weavers outside the Cooperative fold also. In the first phase, 2364 handloom weavers from Karaikudi area have been enrolled and identification cards for their enrolment in the New Health Insurance Scheme issued on 24.06.2006.

Towards payment of premium under the Scheme, a provision of Rs.420.00 lakh has been made in the Revised Budget for the year 2006-07.

9.09 Awarding Scholarships under Weavers' Welfare Trust

Dr. M.G.R. Handloom

With a view to encourage the wards of the weavers by way of awarding scholarships to pursue higher studies, Dr. MGR Handloom Weavers' Welfare Trust was formed in the year 1986. The trust was formed from out of the Contributions made by the Primary Weavers' Co-operative Societies and Co-optex from their General Fund and Common Good Fund. The funds were deposited in the fixed deposits and the expenditure on awarding scholarships is being met from the interest earned thereon. At present, Scholarship is being provided to one male and one female student for pursuing their higher studies in 27 disciplines, and for undergoing coaching classes for IAS/IPS Examinations. Besides, Cash awards to the students scoring highest marks in 10th and 12th are also being provided.

The Government have now ordered for increase of the amount of scholarship given to the wards of Weavers under Dr.M.G.R.Handloom Weavers Welfare Trust by Rs.500/- for all the courses.

9.10. Payment of Scholarship to Students of Indian Institute of Handloom Technology, Salem

The wards of Weavers are given priority in selection to the 3 years Diploma in Handloom Technology course conducted by the Indian Institute of Handloom Technology, Salem. The Government of Tamil Nadu sanctions scholarships to these students as follows:

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. At present, the scholarship amount is met out from the Education Fund of the Tamil Nadu Cooperative Union.

The students of Tamil Nadu studying in the Institutes at Gadag and Venkatagiri are also paid stipend from the Education fund of Tamil Nadu Co-operative Union.

10. HANDLOOM DEVELOPMENT SCHEMES

10.01 Rebate Subsidy Scheme

Keeping in view the special status of the handloom sector and its inbuilt disadvantages with regard to price of its products, rebate subsidy assistance is granted by the State Government. This is an indirect way of protecting the handloom sector from severe competition and also to safeguard the handloom weavers from the onslaught of market recession for handloom goods.

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 sales, 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 Scheme will be borne by the State Government.

For implementation of this Scheme, a provision of Rs.102 crore has been made in the Revised Budget for the year 2006-07.

10.02 Deendayal Hathkargha Protsahan Yojana Scheme

Deen Dayal Hathkargha Protsahan Yojana Scheme is a comprehensive scheme for handlooms sector formulated by the Government of India, which has been implemented with effect 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.

The financial assistance provided under various components of the scheme is as follows:

A. Basic Inputs

Financial assistance in the form of Margin Money at the rate of Rs.4000/- per weaver shall be provided. A grant of Rs.2,000/- for purchase of new looms, Rs.1500/- for doobby, Rs.2000/- for jacquard and Rs.1000/- for other accessories will also be provided.

B. Infrastructure Support

Financial assistance for infrastructure support will be extended to Primary Weavers' Cooperative Societies for setting up of Water and Effluent Treatment Plants, setting up of Common Facility Centres to carry out warping, pre and postloom operations, etc.

C. Design Input

State Level Handloom Organizations /Apex Societies having turnover of more than Rs.5.00 crore and Primary Societies with turnover of more than Rs.25.00 lakh in the preceding year will be eligible to get one time assistance in the form of grant of Rs.5.00 lakh per institution for provision of designs and installation of Computer Aided Design system to improve the design quality of the products.

The Primary Weavers' Cooperative Societies are also eligible to get one time assistance in the form of grant of Rs.1.00 lakh to avail of the services of National Institute of Design, National Institute of Fashion Technology, Weavers' Service Centre, etc.

D. Publicity

Financial assistance in the form of grant subject to a maximum of Rs.5.00 lakh per institution will be provided for projects involving expenditure towards Publicity, Advertisement, Printing of brochures/catalogues, market research and market surveys/studies as well as production of films for promotion of sales of handlooms.

E.Strengthening of Handloom Organizations

Financial assistance will be provided towards financial restructuring of State Handloom Corporations and Apex Weavers Cooperative Societies / Federations with a view to making them viable by enhancing their credit limit / Working capital, etc.

Under this Scheme, a provision of Rs.1190.01 lakh has been made in the Revised Budget for the year 2006-07.

10.03 Free distribution of Sarees and Dhoties Scheme

The Scheme of Free Distribution of Sarees and Dhoties to the poor people is being implemented by the State Government on the eve of Pongal festival. The scheme not only provides continuous employment to about 11,000 handloom weavers and 23,000 powerloom weavers, but also fulfills the clothing needs of 3.28 crore poor people in Tamil Nadu. The Sarees and Dhoties required for the scheme will be produced and supplied by the Handloom and Powerloom Weavers Cooperative Societies in the State.

Towards implementation of Free Distribution of Sarees and Dhoties Scheme for Pongal 2007, a provision of Rs.273.00 crore has been made in the Revised Budget for the year 2006-07.

10.04 Free distribution of Uniform Scheme

The Scheme of Free Supply of Uniforms to School Children studying in std. I to VIII covered under Nutritious Noon Meal Programme is being implemented by the State Government from the year 1985-86 and the cloth required for the scheme is being produced by the Weavers' Co-operative Societies.

Towards implementation of this Scheme, a provision of Rs.40.00 crore has been made in the Revised Budget for the year 2006-07.

10.05 Working Capital at concessional rate of interest to Handloom Weavers Cooperative Societies and Co-optex

Financial assistance at concessional rate of interest was provided by Tamil Nadu State Apex Cooperative Bank and the District Central Cooperative Banks under NABARD Refinance Scheme. The Primary Weavers' Cooperative Societies are being provided with Working Capital finance at normal rate of interest.

The total Cash Credit limits sanctioned by the NABARD both to the Primary Weavers' Cooperative Societies and Tamil Nadu Handloom Weavers' Cooperative Society (Co-optex) for the year 2006-2007 is Rs.315.51 crore.

The per-loom scale of finance for working capital fixed by NABARD for 2006-2007 is as follows:--

Sl. No	Classification of Looms	The Scale of Finance fixed by the NABARD for 2006-2007
1	Handloom Cotton	Rs.22,000.00
2	Handloom Special Cotton	Rs.40,000.00
3	Handloom Silk	Rs.60,000.00
4	Handloom Polyester	Rs.40,000.00
5	Powerloom	Rs.40,000.00

10.06 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 have been implementing the scheme to Award Prizes to the Best Exporters in Tamil Nadu. This scheme is being implemented from 1975 onwards.

In order to encourage export production among primary weavers' co-operative societies, the Government have been sanctioning a sum of Rs.50,000/- every year towards the implementation of this scheme. Under this scheme, Trophies and Certificates to the best exporters including primary weavers' co-operative societies are distributed.

10.07 Prize Award Scheme for Best Weavers for New Designs

To encourage handloom weavers for developing new designs, the Government is 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 varieties. The expenditure under this scheme is being met out from the Cooperative Research and Development Fund of the Tamil Nadu Co-operative Union.

10.08 Integrated Handloom Cluster Development Programme

The Government of India have 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 exhibitions/fairs, publicity, providing of design inputs etc. The maximum assistance for each cluster will be Rs.200.00 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 of Tamil Nadu have selected Tiruvannamalai, Trichy and Kurinjipadi clusters for implementation of this programme and the same has been approved by the Government of India also. Based on the approvals given, steps are being taken to implement the Programmes in the above 3 Handloom Clusters viz. Tiruvannamalai, Trichy and Kurinjipadi.

10.09 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 have enacted HANDLOOMS (RESERVATION OF ARTICLES FOR PRODUCTION) ACT, 1985 for implementation by all the States in the country. The Government of India have reserved 11 items exclusively for production in handlooms. To implement the Handlooms Reservation Act effectively, separate Enforcement Machinery in Tamil Nadu has been formed with a Deputy Director at Head Quarters, Chennai and 5 Field level offices.

11. PROGRAMMES FOR THE YEAR 2006-07

- During the year 2006-07, attempt will be made to bring more handloom weavers from the unorganized sector to the co-operative fold, so as to ensure better income and also to extend schemes for them.
- It is proposed to enroll 7000 new weavers under the Co-operative Handloom Weavers Savings and Security Scheme during the year 2006-07.
- It is proposed to enroll an additional 75,000 handloom weavers in the Mahatma Gandhi Bunkar Bima Yojana Scheme and 70,000 weavers in the New Health Insurance Scheme.
- It is proposed to provide subsidy for construction of 5000 Worksheds and 100 House-cum-Worksheds for the handloom weavers.
- The Integrated Handloom Cluster Development Programme introduced by the Government of India will be implemented by the Government of Tamil Nadu in three clusters viz. Thiruvannamalai, Kurinjipadi and Trichy at a cost of Rs.2 crore for each cluster. Under this scheme, basic infrastructure for weaving will be created to ensure continuous employment. Government of India will be approached to sanction more clusters for implementation during the year 2006-07.
- As announced in the Budget Speech for the year 2006-07, the Scheme of Free Distribution of Sarees and Dhoties to poor people will be continued for Pongal 2007 and 164 lakh sarees and 164 lakh dhotis will be produced and supplied for distribution during Pongal 2007. Towards production of Sarees and Dhoties required under the Scheme, priority will be given to Handloom weavers to the maximum production capacity and the balance requirement of Sarees and Dhoties over and above the production capacity of Handloom Weavers Cooperative Societies alone will be produced in the Powerloom Weavers Cooperative Societies.
- As announced in the Budget Speech for the year 2006-07, the scheme of Free supply of Uniforms to School Children will be implemented for the academic year 2006-07 and 138.85 lakh metres of Uniform cloth will be produced and supplied by the Weavers Cooperative Societies.
- As announced in the Budget Speech for the year 2006-07, Free power supply upto 100 units bimonthly will be given to the handloom weavers who are having their own worksheds and are engaged in weaving. Similarly, free power supply upto 500 units bimonthly will be given to the powerloom weavers who run their own powerlooms.
- It is proposed to impart skill upgradation training to 1000 weavers in dyeing and designing at a cost of Rs.25.00 lakh during the year 2006-07.
- It is proposed to develop 500 new designs in coordination with the National Institute of Designs, Ahamedabad for introducing the same in the Weavers

Cooperative Societies at a cost of Rs.25.00 lakh during the year 2006-07.

- With a view to liquidate the huge stock of silk varieties in the Silk Weavers Cooperative Societies, action will be taken by the Department to conduct Mega Exhibitions besides allowing of special discount sales.
- Training will be conducted to all circle Deputy Directors / Assistant Directors of Handlooms and Textiles for improving their efficiency.
- Training will be imparted to the employees of Weavers' Cooperative Societies for improving the salesmanship / marketing skills.
- Training will also be imparted to 10,000 persons in various textile trades by creating suitable short-term courses in the existing Industrial Training Institutes (I.T.I.) and Polytechnics, so as to equip their skills to handle the new technologies.
- Effective steps will be taken to make the Weavers' Cooperative Societies to run profitably and the number of profitable Societies will be increased to 850 during the year 2006-07 from the level of 760 in 2005-06.
- Steps will be taken to engage more number of weavers in the Export Oriented production, so as to increase the Deemed Exports turnover to the extent of Rs. 300 crore during the year 2006-07. Effort will be made for direct exports by the leading Weavers' Cooperative Societies/ Master Weavers.
- In order to increase the sales of handloom products, it has been proposed to conduct District Level Events / Exhibitions at 30 places during the year 2006-07 with the financial assistance from Government of India. Besides this, one Special Handloom Expo and one National Handloom Expo will also be conducted.
- Steps are being taken to establish Hi-Tech Weaving Parks at Erode, Madurai and an additional park at Kumarapalayam, for which, the Government of India have been approached for getting assistance under the Scheme for Integrated Textile Park.
- It has been proposed to conduct vigorous awareness campaigns in powerloom concentrated areas, to propagate the spirit of Handloom Reservation Act and to carry out the inspection of 50000 powerlooms during the year 2006-07.
- A Market Survey will be conducted through a Professional Agency to explore the possibility of marketing silk products.
- With a view to upgrade the skill of the weavers/ designers engaged in the handloom industry and also to improve the managerial skill of the Managers of Weavers' Cooperative Societies, training will be imparted to 1200 beneficiaries during the year 2006-07.

- Efforts are being initiated to encourage Setting up of more modernized Processing Parks, so as to meet the quality requirements of Textile Units.
- Efforts are also being taken to encourage setting up of "Technical Textiles " units in the State which has a huge demand both domestic and external and presently has a big demand -supply gap.

12. INSTITUTIONS UNDER THE CONTROL OF THE DEPARTMENT

(A) 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 objective of organizing and promoting the Handloom Industry in the Cooperative Sector. The main functions of Co-optex are to market the products produced by the Weavers' Cooperative Societies and to supply yarn to the Weavers' Cooperative Societies in Tamil Nadu. Co-optex is having 134 Showrooms within the State and 66 Showrooms outside Tamil Nadu.

The Co-optex is also acting as a nodal agency for procuring and supplying cloth required under Free Distribution of Sarees and Dhoties Scheme, Free Supply of Uniform to School Children Scheme and Supply of Sarees and Dhoties to old age pensioners.

Co-optex exports a wide range of handloom products to many countries regularly. Currently, Co-optex goods are exported to various countries in Europe. The important export product ranges are home textiles like terry towels, furnishing materials, bedspread, table cloth, lungies, shirting fabrics and kitchen coordinates.

During the year 2005-06, Co-optex has procured handloom and powerloom goods worth Rs.315.11 crore from the Weavers' Co-operative Societies and sold goods worth Rs.420.70 crore which also includes export sales of Rs. 3.27 crore.

Steps taken for Restructuring of Administration and Marketing operation

- a) To reduce the mounting staff cost and to carry out viable operations, Co-optex introduced Special Voluntary Retirement Scheme. Under this scheme, 640 employees who opted for retirement were relieved from the service in four phases and their accounts have been settled by getting loan from the Government to the tune of Rs.14.95 crore.
- b) As running of unviable showrooms has in the past caused heavy loss to Co-optex, periodical review of viability of the showrooms is being carried out to decide their continuation. Seven uneconomic showrooms were identified for closure during the year 2005-2006 and ordered accordingly.
- c) The above exercise of reduction of surplus man power by Voluntary Retirement Scheme and closure of uneconomic showrooms is being continued. These two measures have created savings to the extent of about Rs.10 crore during the year 2005-06.
- d) Thanks to these measures and also on account of various aggressive marketing strategies adopted by Co-optex, the retail sales have increased from Rs.96 crore to Rs.106 crore during the previous year.

- e) Apart from the Retail sales within the country, Co-optex has also achieved direct export sales to the value of Rs.327.61 lakh during the year 2005-2006, mainly by exporting its Home Textile products such as towels, table cloth, napkins, kitchen sets, bedspreads etc., to many countries in Europe.
- f) In order to offer better and attractive product range, Co-optex has introduced new designs, new colours and new products by engaging the following designers during the year 2005-06:
1. Kalashetra designs by M/s. Kalashetra Foundation, Chennai
 2. Thirunaal Collection by Stella Maris College, Chennai
 3. Kadambam by Stella Maris College, Chennai
 4. Kairavi and Kadambari Collections from NID.
 5. Designs from Freelance designers and CAD Centre, Co-optex.
- g) Through effective Inventory Management and also by taking suitable corrective measures, the old stocks of over 2 years have been brought down from Rs.31.89 crore to Rs.11.67 crore.

Action Plan of Co-optex for 2006 - 2007

- Co-optex has proposed to increase retail sales to Rs.120 crore and also to achieve export business of Rs.5.00 crore during the year 2006-07. Co-optex has also proposed to increase the number of showrooms running on profit from 75 to 125 during the year 2006-07.
- In order to offer the latest fashion and contemporary designs to the customers, it is proposed to introduce 500 new designs in various colour combinations.
- To improve saleability of silk sarees produced in Kancheepuram area, Co-optex has proposed to effect silk sales on "consignment " basis at the prices fixed by the primaries.
- To cater to the needs of customers where Co-optex showrooms are not available, it proposes to conduct 100 exhibitions both within and outside the State during the year.
- It is proposed to computerize 25 additional showrooms during the year 2006-07, to ensure better deliveries.
- In order to keep abreast with the market needs and to improve the ambience, Co-optex proposes to modernize 5 of its big showrooms.
- The Co-optex proposes to engage various educational institutions where textile / designing is a part of their curriculum and entrust design based projects to the students, to utilize the young talents available in the textile design.
- To tap the market in all segments, it has proposed to utilize the services of Self-Help Groups to market Co-optex products during this year.

- As a result of the steps mentioned above, Co-optex is expected to make a profit of Rs.3.00 crore during 2006-07.

(B) Tamil Nadu Handloom Development Corporation Limited, Chennai

The Tamil Nadu Handloom Development Corporation Limited commenced its operations in the year 1964 with the avowed object of providing financial assistance to the weavers outside co-operative 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 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 11841 members in the Corporation. During the year 2005-06, the Corporation sanctioned loans to 681 members to the extent of Rs.252.14 lakh.

For the year 2006-07, the Corporation has proposed to increase the sanction of loans to the extent of Rs.400.00 lakh and to increase the loan collection to the extent of Rs.330.00 lakh

(C) Tamil Nadu Zari Limited, Kancheepuram

The Tamil Nadu Zari Limited, Kancheepuram, is a State Public Sector Undertaking engaged in the manufacture of zari gold lace and supply to Silk Weavers' Co-operative Societies. Apart from this, the Company is also undertaking the centralized quality check of zari samples received from the Surat zari manufacturers and traders for supply of zari marcs to the Silk Weavers' Co-operative Societies. The Company is also undertaking testing of zari and zari made fabrics by non-destructive testing method through X-Ray Fluorescence Analyser. The Tamil Nadu Zari Limited, Kancheepuram is an ISO 9001 certified institution.

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.

During the year 2005-2006, the company produced 61513 marcs and sold 59554 marcs of zari and earned a profit of Rs.35.69 Lakh. The company has tested 2574 zari samples received from the Surat zari manufacturers and traders. Further, 18226 samples of zari and silk fabrics were tested through the X-Ray Fluorescence Analyser and a sum of Rs.5.50 lakh was collected as testing fees.

Action Plan of Tamil Nadu Zari Limited for 2006-2007

- The Company proposes to produce and supply 90000 marcs of different variety of zari during the year 2006-07.

- The Company also proposes to adopt upgraded technology in electroplating in Kancheepuram and Kumbakonam units, so as to improve the colour and luster of zari.
- It has been proposed to upgrade the Engineering Technology in silver thread making process with the joint coordination of TIFAC, New Delhi.
- The Company has proposed to get Khadi Certification from Khadi and Village Industries Commission, Mumbai, so as to sell zari to Khadi and Village Industries Commission institutions.

(D) 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 as well as 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' co-operative societies, handloom weavers' co-operative 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 2005-06 was Rs.1330.39 lakh with a net profit of Rs.282.73 lakh.

Action Plan of the Processing Mill for 2006-2007

- It is proposed to modernize the plant and machineries of the Mills at a cost of Rs.1.72 crore, so as to improve the productivity and quality of finished products.
- It is proposed to install Reverse Osmosis System with Reject Treatment for the existing Effluent Treatment Plant at a cost of Rs.2.88 crore.
- The Mill has purchased 9.62 acres of land at SIPCOT Industrial Growth Centre, Perundurai and proposes to shift the existing unit to SIPCOT in a phased manner.
- It is proposed to install Integrated Information Management System by interlinking all the sections in the Mills thereby fine tuning administration and to provide efficiency through e-governance.
- Bagging continuous orders from private exporters throughout the year for maximum capacity utilization.

(E) 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 3 Powerloom Complexes with a capacity of 96 looms each at Aruppukottai, Sivagiri and 24 looms at Jayankondam. One Autoloom shed with 12 autolooms at Kurichi, Coimbatore is also functioning under the control of the Corporation. 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 Government Uniform Scheme.

The sales turnover of the Corporation during the year 2005-06 was Rs.1718.36 lakh and it has earned a profit of Rs.56.75 lakh.

Action Plan of the Tamil Nadu Textile Corporation Limited for 2006-07

- The Corporation has planned to produce 22.08 lakh metres of uniform cloth / dhoties under Free Distribution Scheme intended for supply to Government Schemes and to meet out the cloth requirements of Government Institutions for the value of Rs.705.20 lakh.
- The Corporation has proposed to procure 59.49 lakh metres of white shirting from powerloom weavers co-operative societies for supply intended for Government schemes for the value of Rs.981.73 lakh during the year 2006-07.
- During the year 2006-07, the Corporation has remitted a sum of Rs.29.85 lakh into Government account towards repayment of outstanding loans and it is proposed to settle the loan outstanding to the extent of Rs.1.20 crore during the year.

(F) 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 object of the Federation is to procure and supply good quality cotton at reasonable prices to the member Cooperative Spinning Mills from various Cooperative institutions. 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. TANSPIN has made purchases to the value of Rs.79.07 crore up to the year 1997-98.

Since the Cooperative Spinning Mills were not in a position to repay the dues of TANSPIN, the funds utilized for the purchase of cotton were struck up with the Mills. Therefore, as one of the relief measures under revival package for Cooperative Spinning Mills, the Federation has converted a sum of Rs.19.48 crore as Share Capital investment in Cooperative Spinning Mills.

During the year 2005-06, the TANSPIN has earned a profit of Rs.10.35 lakh.

Action Plan of TANSPIN for 2006-2007

It has been programmed to reactivate the TANSPIN effectively by undertaking the following activities.

- To purchase cotton and supply the same to member co-operative spinning mills and to continue the activities without any interruption.

- To supply Dyes and Chemicals to Weavers Societies etc. Co-operative
- Centralized Purchase of Stores & Packing Materials to the member Cooperative Spinning Mills.

13. BUDGET PROVISION FOR THE YEAR 2006-07

A provision of Rs.51383.17 lakh has been made in the Revised Budget for the year 2006-07 under Demand No.17 - Handlooms and Textiles as detailed below:-

(Rs. in lakh)

SI No	Name of the Scheme	Revised Budget 2006-07
1.	Free Distribution of Sarees and Dhoties Scheme	27300.00
2.	Free Electricity to Handloom Weavers	1120.00
3.	Free Electricity to Powerloom Weavers	6684.00

(Rs. in lakh)

SI No	Name of the Scheme	Revised Budget 2006-07
4.	Assistance for Design Development	25.00
5.	Training for Weavers	25.00
6.	Interest Subsidy to Primary Weavers Cooperative Societies and Co-optex	0.01
7.	Rebate on sale of handloom cloth	3400.00
8.	Marketing Incentive / Rebate under Deen Dayal Hathkargha Protsahan Yojana Scheme	6800.00
9.	Payment of premium under Bunkar Bima Yojana Scheme	163.93
10.	Co-operative Handloom Weavers Savings and Security Scheme	525.00
11.	New Health Insurance Scheme for handloom weavers	420.00
12.	Central Thrift Fund Scheme	660.00

13.	Health Package Scheme	0.01
14.	Establishment of Enforcement Machinery	94.67

(Rs. in lakh)

SI No	Name of the Scheme	Revised Budget 2006-07
15.	Workshed Scheme	660.00
16.	Bunkar Bima Yojana Scheme (Publicity component)	40.00
17.	House-cum-Workshed Scheme	50.00
18.	Rebate for Handloom Expo	0.01
19.	Deendayal Hathkargha Protsahan Yojana Scheme (Other components)	1190.01
20.	Implementation of Textile Centre Infrastructure Development Scheme	0.01
21.	Establishment of Hi-Tech Weaving Parks	0.01
22.	Powerloom Census (Rent for Powerloom Service Centre, Erode)	0.25
23.	Ways and Means advance to Co-operative Spinning Mills	1216.16

(Rs. in lakh)

SI No	Name of the Scheme	Revised Budget 2006-07
24.	Secretariat Economic Services (Salaries of Staff and other Administrative expenses)	105.15

25.	Administrative expenses (Including Pay and Allowances of staff)	903.95
TOTAL		51383.17

N.K.K.P. RAJA
MINISTER FOR HANDLOOMS

POLICY NOTE FOR 2006 - 2007
HANDLOOMS AND TEXTILES

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