CHAPTER-V

HANDLOOM INDUSTRY

The Handloom Textiles constitute a timeless facet of the rich cultural heritage of India. As an economic activity, the handloom sector occupies a place next only to agriculture in providing livelihood to the people. The element of art and craft present in Indian handlooms makes it a potential sector for the upper segments of the market, both domestic as well as global. However, the sector is beset with manifold problems such as obsolete technologies, unorganized production system, low productivity, inadequate working capital, conventional product range, weak marketing link, overall stagnation of production and sales and, above all, competition from powerloom and mill sector. As a result of effective Government intervention through financial assistance and implementation of various developmental and welfare schemes, the handloom sector has been able to tide over these disadvantages to some extent. As a result of these measures, the production of handloom fabrics has gone up to 5536 million sq.meters (provisional) during 2003-2004 from a level of 500 million sq. meters in the early fifties. The sector accounts for 14.22% of the total cloth produced in the country (excluding clothes made of wool, silk and hand spun yarn). Handloom forms a precious part of the generational legacy and exemplifies the richness and diversity of our country and the artistry of the weavers. Tradition of weaving by hand is a part of the country’s cultural ethos. Handloom is unparalleled in its flexibility and versatility, permitting experimentation and encouraging innovation. Innovative weavers with their skillful blending of myths, faiths, symbols and imagery provide their fabric an appealing dynamism. The strength of Handloom lies in introducing innovative design, which cannot be replicated by the Powerloom Sector.

The Office of the Development Commissioner for Handlooms since its inception in the year 1976 has been implementing various schemes for the promotion and development of the handloom sector and providing assistance to the handloom weavers in a variety of ways. Some of the major programmes formulated by this office relate to:

a) Sustenance of Employment
b) Modernisation and Upgradation of Technology
c) Input Support
d) Marketing Support
e) Publicity
f) Infrastructural Support
The various schemes implemented by the Development Commissioner for Handlooms address the needs of weavers who constitute the disadvantaged social strata and occupational groups, which are at the bottom of the economic hierarchy. Concerted efforts are being made through the schemes and programmes to enhance production, productivity, and efficiency of the handloom sector and enhance the income and socio-economic status of the weavers by upgrading their skills and providing infrastructural support and essential inputs.

**ONGOING SCHEMES AND PROGRAMMES**

**Deen Dayal Hathkargha Protsahan Yojana**

The Deen Dayal Hathkargha Protsahan Yojana (DDHPY) has been launched to provide assistance to the handloom weavers in an integrated and comprehensive manner. The scheme has been in operation w.e.f. 1.4.2000 and will continue till 31.3.2007.

This Centrally sponsored plan scheme entails nearly Rs.257 crore of Central assistance for the 10th Plan period. The scheme aims at taking care of a wide gamut of activities such as basic inputs, like looms and accessories, working capital loans, product development, infrastructure support, institutional support, training to weavers, supply of equipments and marketing support both at micro and macro levels to the handloom organizations. The handloom organizations can also get assistance under other components of the DDHPY like design input, publicity, marketing incentive and transport subsidy for North Eastern Region, Sikkim and J&K.

Prior to the introduction of the DDHPY, most of the schemes were aimed at benefiting the weavers under the cooperative fold only. The DDHPY envisages covering weavers both under cooperative and non-cooperative fold. The national and state level organizations, primary societies, self-help groups etc. are eligible to get benefit of the scheme. There is a focused emphasis on purchase and modification of looms, skill up-gradation and design support to facilitate product diversification, enhance productivity and marketability of handloom products. The handloom agencies could get assistance for installing CAD/CAM system and avail of services of designers to improve designs and fabric as per requirement of both the domestic and international market.

A special component to provide transport subsidy for the transportation of finished goods from North Eastern States, including Sikkim and J&K has been incorporated. It has been noticed that a number of organizations at State level need to be
strengthened and therefore, a component has been provided for restructuring such organizations for better marketing efforts through bankable projects to be cleared by the Union Ministry of Textiles.

In order to improve quality of finished products, financial assistance is available to the handloom agencies for infrastructure like setting up of a processing house having bleaching, dyeing, finishing and other facilities, effluent treatment plant and common facility centers.

The sharing of grant portion of this Centrally Sponsored Scheme, between the Central and the States is in the ratio of 50:50 except in the case of North Eastern States, Sikkim, J&K, Uttaranchal and Himachal Pradesh where the funding pattern is in the ratio of 90:10. Agencies where 100% members are from SC/ST/Minorities/Women, the funding pattern is in the ratio of 75:25. The assistance for marketing incentives under the scheme, however, is in the ratio of 50:50 between Central and State Government in respect of all the States.

During the year 2000-01, a sum of Rs.1695.84 lakh was released as grant under the scheme to 12 States; (Rs.763.79 lakh towards basic inputs covering 197 projects and Rs.932.05 lakh as marketing incentive). From the year 2001-02, the committed liabilities towards the projects sanctioned under the erstwhile Project Package Scheme (PPS), Integrated Handloom Village Development Scheme (IHVD), Margin Money for Destitute Weavers (MMDW) and Handloom Development Center/Quality Dyeing Unit (HDC/QDU) scheme are also met out of the budget provision under the DDHPY head.

In the year 2001-2002, a sum of Rs.6359.33 lakh was released as grant from the DDHPY head consisting of release of Rs.5725.05 lakh under the basic input and marketing incentive components of the DDHPY, Rs.479.98 lakh under the Project Package Scheme (PPS), Rs.89.57 lakh under Integrated Handloom Village Development Scheme (IHVD), Rs.1.78 lakh under Handloom Development Center/Quality Dyeing Unit (HDC/QDU) Scheme, Rs.1.00 lakh under the Margin Money for Destitute Weavers’ (MMDW) and Rs.61.95 lakh for Census.

During the year 2002-03, a sum of Rs.8429.67 lakh had been released consisting of release of Rs.8120.01 lakh under the basic input and marketing incentive components of the DDHPY, Rs.283.16 lakh under PPS and Rs.26.50 lakh under IHVD.

During the year 2003-04, a sum of Rs.6683.80 lakh was released out of which release of Rs.6363.89 lakh was released under the basic input and marketing incentive components of DDHPY and Rs.311.40 lakh was released under PPS and Rs.8.50 lakh under IHVD.

During the year 2004-05, there is a budget provisional of Rs. 3397.00 lakh for disbursement of grant under DDHPY for the States other than falling under North East-
ern region. Out of this provision a sum of Rs. 245.56 lakh has been released upto 31/5/2004 consisting of Rs. 212.65 lakh under the Basic Input components of the DDHPY and Rs. 32.91 under PPS.

**National Centre for Textile Design**

The National Centre for Textile Design (NCTD) has been set up to promote traditional and contemporary designs so as to be responsive to the rapidly changing market demand, thereby providing adequate growth opportunity to the Textile Industry and in particular to the Handloom Sector.

The NCTD has been set up in Handloom Pavilion, Pragati Maidan, New Delhi having On-line Activities & Off-line Activities through its website www.designdiary.nic.in. The site has been designed and developed with different segments i.e. International & Indian Trends and Forecast, Panel of Designers, Design Pool, Handloom Textiles of India, Cyber Yellow Pages etc. Several agencies and individuals have been registered as members of the website of NCTD.

Off-line activities include holding of special exhibitions on a sustained basis for product development on handlooms. An exhibition “TANTAVI 2001” based on structure was organised successfully in Varanasi, Bhagalpur, Karur, Bhagalkot, Ahmedabad and Panipat during the period 2002-2003.

During the year 2003-04, NCTD organized the next series of exhibition “TANTAVI-2003” on the theme “Patterned Fabrics” in Delhi, Mumbai, Bangalore, Chnnai, Hyderabad, Kolkata and Guwahati. Tantavi 2003 displayed new handloom yardages produced from natural fibres i.e. cotton, wool, silk, jute, linen etc. in natural dyes and patterns based upon a combination of different counts, twists, reeds, picks and weavers. The made-ups and apparel designed out of these yardages exhibit versatility of the fabrics viz. their ability to blend, eco-friendly nature and modern convenience factor. The fabrics have been converted into a variety of products like tablecloth, cushion cover, bedspreads & apparels etc. designed exclusively by the prestigious National Institute of Fashion Technology (NIFT), Handlooms and Handicrafts Exports Corporation of India Ltd.(HHEC) and All India Handloom Fabric Marketing Co-operative Society. Such fabrics will explore novel, abstract and geometrical designs woven with natural fibres.

The NCTD presented with “Tantavi-2001”, yardages along with furnished products in Festival of India in Bhutan, as also in Heimtextil fair at Pragati Maidan, New Delhi. The fabrics & products were appreciated by foreign buyers and exporters of India. Handloom Export Promotion Council (HEPC) participated with “TANTAVI-2001 fabrics in “Made in India Show” being organized by Confederation of India in association with Embassy of India at Beijing during 16-19th October, 2003. Handicraft and Handloom Exports Corporation (HHEC) also displayed these fabrics at “Handloom & Handicrafts Exhi-

Arrangements were made by NCTD, New Delhi to exhibit TANTAVI fabrics and products in the DSYN-2004 (Mega Show) arranged by NIFT, New Delhi from 29-31st March, 2004.

**Input Support**

Handloom sector is largely dependent on the organised mill sector for supply of its principal raw-material, namely yarn. This sector uses the bulk of its yarn in the form of hanks. The Central Government has been making efforts to ensure regular supply of yarn to the handloom sector by enforcing the order (Hank Yarn Packing Notification) making it obligatory for the spinning mills to pack a prescribed percentage of the yarn produced by them in hank form.

**Mill Gate Price Scheme**

The Scheme was introduced in the year 1992-93 with an objective of providing all types of yarn to the handloom weavers’ organizations at the price at which it is available at Mill Gate. National Handloom Development Corporation (NHDC), a Government of India undertaking is the only agency authorised to implement the scheme. The scheme benefits the following organisations and their member weavers.

1. All Handloom Organizations of National/State/Regional level.
2. Handloom Development Centres;
3. Handloom producers/exporters/manufacturers registered with the Handloom Export Promotion Council (HEPC) or any other Export Promotion Council under the Ministry of Textiles, or with the State Directors of Industries, as the case may be;
4. All approved export houses/trading houses/star trading houses for production of handloom items;
5. Members of recognized/approved handloom associations;
6. NGOs fulfilling CAPART norms; and
7. Any other agency, with the approval of the Development Commissioner for Handlooms.

All types of yarn required for production of handloom items are covered under the scheme.

The Government of India has been meeting the entire expenditure under the Scheme. The yarn is being arranged by NHDC from the mills as per the requirement of the user agencies (as mentioned above) and is being transported to the godown of the agency.

The reimbursement rates to the user agencies are as follows:
In addition to the above, the NHDC pays depot operation charges @ 1% of the value of yarn, wherever the yarn is supplied to weavers through yarn depots. Further there is a provision for supply of yarn to the weavers in the remote areas through mobile van for 20 days in a month. The actual expenditure involved for operating the mobile van is to be reimbursed subject to a maximum of Rs.1500/- per day per van by the NHDC.

The expenditure involved above and also the overhead expenditure involved by the NHDC on this yarn transaction is being reimbursed by the Government at a flat rate as detailed below:

<table>
<thead>
<tr>
<th>Types of Yarn</th>
<th>In plain areas</th>
<th>Hill/Remote areas</th>
<th>North-East area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other than Silk/Jute Yarn</td>
<td>1.00%</td>
<td>1.75%</td>
<td>3.00%</td>
</tr>
<tr>
<td>Silk Yarn</td>
<td>1.00%</td>
<td>1.25%</td>
<td>1.50%</td>
</tr>
<tr>
<td>Jute/Jute Blended Yarn</td>
<td>7.00%</td>
<td>8.00%</td>
<td>8.50%</td>
</tr>
</tbody>
</table>

*Note: Rates are at percentage cost of material.*

Under the scheme, supplies of yarn have increased from 49.42 lakh kg. in 1993-94 to 242.66 lakh kg. (provisional) during 2003-2004.

**Production and Employment**

During the year 2003-04, a total production of 5536 million sq. metres (Provisional) of Handloom cloth was achieved. The Handloom Sector is estimated to provide employment to about 120 lakh persons.

**Scheme for Reimbursement of CENVAT on Hank Yarn**

The Government of India has introduced a scheme viz. Scheme for Reimbursement of CENVAT on Hank Yarn for supply of cotton and cellulosic spun yarn packed in plain reel hank form to the handloom weav-
ers and their organizations at the price net of CENVAT with effect from 01.04.2003. The Scheme is being implemented by National Handloom Development Corporation (NHDC), and by the State Government through:

(i) State Apex Handloom Weavers Cooperative Societies,

(ii) State Handloom Development Corporations and

(iii) Primary Handloom Weavers Cooperative Societies, which are in existence for at least 3 years and whose annual turnover is at least Rs.10 lakh per year and approved by the Director-in-charge of Handlooms for this purpose.

Under the Scheme, Government of India reimburses the actual excise duty including additional excise duty levied under the Additional Duties of Excise (Textile & Textiles Articles) Act, 1978 paid by implementing agency while purchasing the yarn from the spinning mills plus 0.5% of the value of the yarn net of CENVAT towards administrative charges.

Funds are placed, on a quarterly basis, in advance, by the Government of India, Ministry of Textiles, Office of the Development Commissioner for Handlooms, to the State Governments, which in turn, makes it available to the agency (ies) nominated by them, for implementation of this scheme, so as to avoid delay in the reimbursement and/or to avoid discontinuance of supplies owing to paucity of funds. The nominated agencies submit utilization certificates to the State Governments for each quarter immediately after the close of the quarter. In turn, the State Governments submit utilization certificates in the prescribed format to the Ministry of Textiles, Office of the Development Commissioner for Handlooms for further advance releases of funds. Similarly, funds are placed in advance, on a quarterly basis, to NHDC by the Ministry of Textiles, Office of the Development Commissioner for Handlooms. NHDC can claim reimbursement by furnishing utilization certificates in the prescribed proforma. Under the scheme a sum of Rs.2492 crore was released during the year.

Credit

To meet the working capital requirements of the Primary Handloom Weavers’ Cooperative Societies (PHWCS) and State Handloom Development Corporations (SHDC), for production, procurement and marketing activities as well as the purchase and sale of yarn, National Bank for Agriculture and Rural Development (NABARD) provides refinance facilities through State Cooperative Banks (SCB), District Central Cooperative Banks (DCCB) and Commercial Banks at concessional rates of interest.

2. NABARD has revised the rates of interest w.e.f., 13th February, 2004 on the outstanding balances, if any, under the ST credit limits as well as on the drawals that may be availed of by the banks on or after 13th February, 2004. The details of revised rates of interest are indicated in Table 5.4.
### Table 5.4

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Purpose</th>
<th>Present rate of interest per annum</th>
<th>Revised rate of interest per annum w.e.f. 13.02.2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Financing of Working capital requirements of Primary Handloom Weavers Cooperative Societies (PHWCS)</td>
<td>6.50%</td>
<td>6.25%</td>
</tr>
<tr>
<td>2</td>
<td>Financing of Working capital requirements of State Handloom Development Corporations (SHDCs)</td>
<td>6.50%</td>
<td>6.25%</td>
</tr>
</tbody>
</table>

### Weavers’ Service Centre

Presently, 25 Weavers’ Service Centres (WSC) are functioning under the Office of the Development Commissioner for Handloom, which play a vital role in conducting research and development, in imparting training to weavers to upgrade their skill and increase productivity in the Handloom Sector. They have also been instrumental in evolving innumerable new designs and reviving traditional designs. The WSCs primarily render extension services, which involve transfer of design inputs, skills and technology evolved in the WSCs to the weavers at their cottages. The 25th Weavers’ Service Centre has been set up at Nowshera, Srinagar (J&K) under PM’s Economic Package for that State.

### Indian Institutes of Handloom Technology

The Indian Institutes of Handloom Technology (IIHT) mainly function to provide qualified and trained manpower to the Handloom Sector and to undertake experimental and research programmes on all aspects of the handloom industry. There are four IIHTs at Varanani, Salem, Guwahati and Jodhpur in the Central Sector and two IIHTs at Venkatagri (AP) & Gadag (Karnataka) in the State Sector.

### Design Development and Training Programme

In order to have a holistic and integrated approach to the issues of design development and skill upgradation in the Handloom Sector, a comprehensive “Design Development and Training Programme” has been formulated during 10th Plan by merging various schemes including “Decentralised Training of Weavers Scheme” and “Design Exhibition-cum-Dyeing Workshop” of the 9th Plan as component of the Design Development and Training Programme.

#### (a) Decentralised Training of Weavers

The Decentralised Training Programme aims at training of weavers, designers, dyers and printers connected with the Handloom Industry, on improved technology so that they are able to increase production, improve their earnings and get a better market for their products. The Decentralised Training Programme provides training to weavers in Weaving Technology, Design Development and Dyeing Techniques. During the year 2002-03, 5575 weavers were trained and in the year 2003-04, 5850 weavers were trained.
The Scheme has been subsumed in the new scheme ‘Integrated Handloom Training Project (IHTP)’.

(b) Design Exhibition-cum-Dyeing Workshop

The WSCs have been organizing Design Exhibition-cum-Dyeing Workshops since 1995-96 with a view to create awareness in the weavers’ clusters about the services available in WSCs and to impart training in dyeing techniques and design development. Design Exhibitions-cum-Dyeing Workshops are organized in the handloom clusters by Weavers Service Centres to promote and propagate modern dyeing techniques besides making available designs at the doorsteps of the weavers.

During the year 2002-03, 240 Design Exhibition-cum-Dyeing Workshops were conducted and in the year 2003-04, 234 Design Exhibition-cum-Dyeing Workshops were conducted.

Integrated Handloom Training Project

In pursuance of the then Prime Minister’s announcement on Independence Day 2002, an “Integrated Handloom Training Project” (IHTP) has been introduced for comprehensive skill up-gradation of weavers and workers working in the Handloom Sector. The scheme after approval has been circulated to the States on 19.12.2003 for implementation. A sum of Rs 295.75 lakh was released to Zonal Director of WSCs for releasing to the implementing agency for imparting training to 4000 weavers.

Workshed-cum-Housing Scheme

The Government of India introduced a Centrally Sponsored Scheme called “Workshed-cum-Housing Scheme” for handloom weavers from the beginning of VII Five-Year Plan i.e. 1985-86. The scheme is being implemented primarily for providing suitable work place and dwelling units to the weavers thereby achieving better productivity. The scheme is being implemented by the respective State Government through Handloom Development Corporations, Primary Societies or any other specialized agency set up by the concerned State Government for execution of such projects.

The present funding pattern of the Central assistance and the weavers’ contribution as also the loan tie up arrangement is given at Table 5.5.

<table>
<thead>
<tr>
<th>Name of the Component</th>
<th>Unit Cost in Rs.</th>
<th>Maximum Subsidy</th>
<th>Loan from HUDCO/FIs</th>
<th>Weavers Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural Workshed</td>
<td>9000</td>
<td>7000</td>
<td></td>
<td>2000</td>
</tr>
<tr>
<td>Urban Workshed</td>
<td>14000</td>
<td>10000</td>
<td></td>
<td>4000</td>
</tr>
<tr>
<td>Rural Workshed-cum-Houses</td>
<td>35000</td>
<td>18000</td>
<td>14000</td>
<td>3000</td>
</tr>
<tr>
<td>Urban Workshed-cum-Houses</td>
<td>45000</td>
<td>20000</td>
<td>20000</td>
<td>5000</td>
</tr>
</tbody>
</table>
During the year 2002-03, a sum of Rs.1050.00 lakh was released for construction of 25756 units of Worksheds/Workshed-cum-Houses out of which Rs.350.00 lakh was released to the NER.

For the financial year 2003-04, there was a budget provision of Rs.1798 lakh, out of which Rs.700 lakh was earmarked for North Eastern States. As on 31.03.2004, a total sum of Rs.1797.10 lakh was released to various State Governments for construction of 21718 units and out of which a sum of Rs.700 lakh has been released to the NER.

Weavers' Welfare Scheme

The “Weavers’ Welfare Scheme” with Health Package Scheme, Thrift Fund Scheme and New Insurance Scheme for handloom weavers is being implemented on the existing funding pattern.

A provision of Rs.755 lakh was made during 2003-04 for “Weavers Welfare Scheme”, out of which Rs.253 lakh was earmarked for North Eastern States. As on 31.03.2004, a sum of Rs.575.88 lakh has been released to various State Governments, out of which a sum of Rs.73.88 lakh has been released to NER.

The Welfare Schemes which are in implementation are as under:

(i) Health Package Scheme for Handloom Weavers

The Health Package Scheme was introduced in March 1993. Under the Scheme, the weavers are to be provided financial assistance for the treatment of diseases like asthma, tuberculosis and inflammation of respiratory system, cost of eyes testing and spectacles, supply of drinking water, maternity benefits to women weavers, payment of additional compensation for permanent measures of family planning and infrastructure for the primary health care.

During the last financial year i.e. 2002-03, a sum of Rs.237.08 lakh was released under the scheme to various State Governments for covering 44503 weavers. During the financial year 2003-04, an amount of Rs.221.25 lakh was released to various State Governments for coverage of 26,814 weavers.

(ii) Thrift Fund Scheme for Handloom Weavers

The Thrift Fund Scheme for Handloom Weavers was introduced in the VIII Five Year as one of the special welfare measures from the Government of India. The Scheme envisages creation of a fund in the nature of a provident fund. The weavers belonging to corporate sector have also been covered under the Scheme as per the present funding pattern, 8% of the wages are contributed by the weavers, 4% each by the Central and State Governments.

For the year 2002-03, a sum of Rs.275.03 lakh was released to various State Governments for covering 109668 weavers under the scheme. During 2003-2004, a sum of Rs 321.87 lakh was released to various State Governments.
(iii) **Group Insurance Scheme**

The Government of India introduced a Group Insurance Scheme for Handloom Weavers throughout the country from the year 1992-93 in order to help weavers to meet their socio-economic obligation towards his family and to act as a support system against the uncertainty of their working capacity in old age. Under the Scheme, a weaver is provided an insurance coverage of Rs.10,000/- for an annual premium of Rs.120/- per annum which is shared equally between the beneficiary, the Central Government and the concerned State Governments.

During the financial year 2002-03, a sum of Rs.10.45 lakh was released under this scheme to the State Governments for covering 20,442 weavers. During the financial year 2003-04, an amount of Rs.17.93 lakh was released to the various State Governments for covering 44,817 weavers. With the introduction of Bunkar Bima Yojana the Group Insurance Scheme stands discontinued, therefore, no funds were released after December 2003.

(iv) **New Insurance Scheme for Handloom Weavers**

In order to provide relief to handloom weavers in the 50th year of Independence, the Government of India introduced the New Insurance Scheme for weavers through United India Insurance Company in 1997-98. The New Insurance Scheme provides coverage against loss or damage to dwelling like looms, raw material etc; medical coverage and Personal Accidental Insurance against accidental death at premium of Rs.120/- per annum, with a contribution of Rs.20/- by the weaver, Rs.40/- by the State Government and Rs.60/- by the Government of India.

During the financial year i.e. 2002-03, a sum of Rs.7.44 Lakh was released to various State Governments for covering 24258 weavers. During the financial year 2003-2004, an amount of Rs.14.83 lakh was released to the various State Governments for coverage 12849 weavers.

**Bunkar Bima Yojana**

The then Prime Minister in his Independence Day Address to the Nation on August 15, 2002 announced a special contributory Insurance Scheme for one Million weavers and artisans combining the Janshree Bima Yojana with Group Insurance Scheme. Out of one million weavers and artisans to be covered under the scheme, eight lakh weavers will be covered under the handloom sector. Accordingly, a scheme called “Bunkar Bima Yojana”, which is a combination of Janshree Bima Yojana and add-on Group Insurance Scheme, was approved in December 2003 for implementation in collaboration with the Life Insurance Corporation of India. The guidelines of the Scheme were circulated to the States.

With the introduction of Bunkar Bima Yojana, the Group Insurance Scheme stands discontinued. A sum of Rs 150 lakh has been released to Life Insurance Co. towards the central share of premium for
coverage of Handloom weavers under the scheme.

**Handloom Export Scheme**

The importance of the handloom sector in the national economy is well recognized. On account of having the advantage of flexibility of production in small batches, uniqueness, constant scope for innovation, eco friendliness, adaptability and above all, the element of rich artistry, this sector has the potential to contribute towards export earnings in a big way. Export of handloom products has therefore been identified as a “Thrust Area” for the overall development of the sector. The Government is exploring the possibility of making optimal use of the resources to enhance production capabilities of exportable handloom products.

In order to give impetus to the export of handloom fabrics, made-ups and other handloom items from the country, a scheme for Development of Exportable Products and their Marketing (DEPM), which was introduced in the year 1996-97 and was in operation till 31-3-2002, has been continued for implementation during the 10th Five Year Plan also in a modified form and under a modified nomenclature of “Handloom Export Scheme”. The Scheme covers development of exportable products, publicity of the products and the international marketing thereof.

The financial assistance under the scheme is extended to the National and State Level Handloom Corporations, Apex Cooperative Societies and Primary Handloom Weavers Cooperative Societies. Private Handloom Exporters are also assisted under the Scheme only through Handloom Export Promotion Council (HEPC).

**The Handloom Export Promotion Council**, registered under the Companies Act, 1956, was constituted in 1965 by the Government of India as the nodal agency for export promotion efforts related to the handloom textiles.

The Handloom Export Promotion Council provides to its members a wide range of services which, inter-alia, include:

- Dissemination of trade information & intelligence.
- Publicity abroad for Indian handloom products.
- Organisation of business missions/buyer seller meets and participation in International trade events.
- Consultancy and guidance services for handloom exporters.
- Liaison with the Government of India on all procedural and policy matters relevant to the handloom export trade.
- Dealing with trade complaints pertaining to handloom exports.
- Liaison with the commercial agencies abroad for augmentation of handloom exports.
- Facilitating product diversification and adaptation to meet modern market requirements.
- Providing impetus to modernisation of handlooms for the export market.
The Indian cotton handloom fabrics and made-ups occupy a place of eminence in the markets of USA, UK, Germany, France, Sweden, Belgium, Netherlands, Japan and Australia. The main items exported belong to the segment of home furnishing which constitutes about 90% of our total handloom exports.

With the concerted efforts of Handloom Export Promotion Council and implementation of Handloom Export Scheme, the export of cotton handloom fabrics and made-ups has been as under :-

<table>
<thead>
<tr>
<th>Table 5.6</th>
<th>Rupees in Crores</th>
<th>Million US $</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998-99</td>
<td>1918.34</td>
<td>455.98</td>
</tr>
<tr>
<td>1999-00</td>
<td>1980.04</td>
<td>446.63</td>
</tr>
<tr>
<td>2000-01</td>
<td>2127.44</td>
<td>465.68</td>
</tr>
<tr>
<td>2001-02</td>
<td>2064.94</td>
<td>432.97</td>
</tr>
<tr>
<td>2002-03</td>
<td>2633.27</td>
<td>544.00</td>
</tr>
</tbody>
</table>

Since the inception of the DEPM scheme in October 1996, 126 export projects covering 21,923 weavers have been sanctioned till 31st March, 2004. Apart from this, financial assistance for participation in 52 International trade events has been provided to Handloom Export Promotion Council (HEPC), Association of Corporations and Apex Societies of Handlooms (ACASH) and Handicrafts and Handlooms Exports Corporation of India Ltd., (HHEC). A sum of Rs.14.67 crore has been released for 126 export projects and Rs.14.59 crore for participation in 52 International trade events.

A provision of Rs.26 crore has been made for implementation of the proposed ‘Handloom Export Scheme’ during the 10th Five Year Plan, of which, a sum of Rs.6.00 crore is provided for the Annual Plan 2004-05 including the provision for North Eastern States for meeting expenses in respect of fresh export projects and for meeting committed liabilities in respect of projects sanctioned in the past. A sum of Rs.441.68 lakh has been released during the year 2003-04.

**Marketing Promotion Programme**

To provide marketing support to handloom agencies and the individual weavers, the Office of the Development Commissioner for Handlooms assists the State Government in organizing National Handloom Expos/Special Expos, District Level Events, Crafts Melas etc. in different parts of the country. For this purpose, financial support is provided to the implementing agency as recommended by the State Government towards infrastructure, publicity etc. These activities are supportive to the handloom agencies, weavers and also the consumers as it provides them an opportunity to purchase the handloom products of various states under one roof. During 2003-04, 5 National Handloom Expos 22 Special Expos, 148 District Level Events, 05 Craft Melas and One Master Creation Programme were organized in different parts of the country and 5 Urban Haats were approved. An amount of Rs.790.61 lakh was released under Marketing Promotion Programme in 2003-04.
Implementation of Handlooms (Reservation of Articles for Production) Act, 1985

The Handlooms (Reservation of Articles for Production) Act, 1985 aims at protecting millions of handloom weavers from the encroachment made on their livelihood by the powerloom and the organised mill sector. At present eleven categories of textile articles are reserved under the provisions of the Act vide Reservation Order No. S.O. 557(E), dated 26.7.1996, as amended vide Order No. S.O. 408(E), dated 2.6.1999 and S.O. 405(E) dated 25.4.2000. The physical and financial progress on implementation of the Handlooms (Reservation of Articles for Production) Act, 1985 by various implementing agencies during 1999-2000 to 2003-04, upto 31.03.2004 are as given in the following table:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Target of Inspections</td>
<td>1,30,532</td>
<td>1,30,532</td>
<td>1,40,700</td>
<td>1,50,000</td>
<td>1,64,250</td>
</tr>
<tr>
<td>2</td>
<td>No.of powerlooms inspected</td>
<td>1,76,523</td>
<td>1,43,969</td>
<td>1,52,925</td>
<td>1,77,636</td>
<td>1,53,086</td>
</tr>
<tr>
<td>3</td>
<td>No.of FIRs lodged</td>
<td>25</td>
<td>27</td>
<td>30</td>
<td>29</td>
<td>18</td>
</tr>
<tr>
<td>4</td>
<td>No.of Convictions</td>
<td>22</td>
<td>30</td>
<td>26</td>
<td>33</td>
<td>15</td>
</tr>
<tr>
<td>5</td>
<td>Cases in pipeline</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>41</td>
<td>42</td>
</tr>
</tbody>
</table>

Table 5.7

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Budget grant (Rs. in lakhs)</td>
<td>80.00</td>
<td>96.00</td>
<td>90.00</td>
<td>64.00</td>
<td>68.00</td>
</tr>
<tr>
<td>2</td>
<td>Expenditure (Rs. in lakhs)</td>
<td>78.39</td>
<td>56.06</td>
<td>57.44</td>
<td>58.30</td>
<td>56.6</td>
</tr>
</tbody>
</table>

To ensure effective implementation of the Act, at State level the Central Government has also been providing assistance to the States/UTs under the scheme namely “Implementation of the Handlooms (Reservation of Articles for Production) Act, 1985”, This scheme will continue on 100% central funding basis upto 2003-04 under Plan and thereafter under Non-Plan. The details of State wise assistance extended by the Central Government during the years 1999-2000 to 31.12.2003 is at table 5.8.
Table 5.8

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the State</th>
<th>Amount released (Rs. in lakhs)</th>
<th>1999-00</th>
<th>2000-01</th>
<th>2001-02</th>
<th>2002-03</th>
<th>2003-04</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Andhra Pradesh</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>17.94</td>
<td>—</td>
</tr>
<tr>
<td>2.</td>
<td>Orissa</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>—</td>
</tr>
<tr>
<td>3.</td>
<td>West Bengal</td>
<td></td>
<td>5.78</td>
<td>5.90</td>
<td>-</td>
<td>-</td>
<td>18.89</td>
</tr>
<tr>
<td>4.</td>
<td>Uttar Pradesh</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>—</td>
</tr>
<tr>
<td>5.</td>
<td>Karnataka</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>—</td>
</tr>
<tr>
<td>7.</td>
<td>Rajasthan</td>
<td></td>
<td>6.07</td>
<td>5.27</td>
<td>-</td>
<td>8.73</td>
<td>10.11</td>
</tr>
<tr>
<td>8.</td>
<td>Kerala</td>
<td></td>
<td>-</td>
<td>1.88</td>
<td>17.29</td>
<td>-</td>
<td>—</td>
</tr>
<tr>
<td>10.</td>
<td>Haryana</td>
<td></td>
<td>6.86</td>
<td>4.15</td>
<td>5.52</td>
<td>6.05</td>
<td>7.68</td>
</tr>
<tr>
<td>11.</td>
<td>Tamil Nadu</td>
<td></td>
<td>27.99</td>
<td>63.77</td>
<td>67.90</td>
<td>61.74</td>
<td>38.07</td>
</tr>
<tr>
<td>12.</td>
<td>Bihar</td>
<td></td>
<td>-</td>
<td>4.92</td>
<td>-</td>
<td>-</td>
<td>—</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td>70.00</td>
<td>110.00</td>
<td>100.00</td>
<td>120.00</td>
<td>120.00</td>
</tr>
</tbody>
</table>

During the 10th Five year Plan period, the outlay earmarked is Rs.6 crore and for the financial year 2003-04, the outlay was Rs.1.20 crore.

**Research and Development**

The Handloom Industry is the most ancient Cottage Industry of India. Its preservation for posterity will ensure continuation of our cultural heritage Research & Development is an essential ingredient for any industry to keep pace with the fast changing developments on account of the increasing global interest in Indian Handlooms. Hence, undertaking Research & Development in the Handloom sector is very essential in order to have a regular system of feedback on economic, social, aesthetic, technical and promotional aspects of handloom sector with the help of expertise of reputed Research Institutes and other professional/voluntary organizations, Non Governmental organization registered under any of the Statutory Acts, Universities, I.I.H.Ts/W.S.C.s having basic infrastructural facilities to effectively implement the scheme through studies, need based survey, Research & Development etc.

During the year 2002-03, a sum of Rs.40.06 lakh was released to different organizations under this scheme.

In the X Five Year Plan the Research & Development programme is one of the component under the comprehensive plan scheme namely Design Development and Training Programme where an amount of Rs.85 lakh has been provided for the R&D projects during the financial year 2003-04 against which an amount of Rs.43.13 lakh was released.
Association of Corporations and Apex Societies of Handlooms

The Association of Corporations and Apex Societies of Handlooms (ACASH), New Delhi was registered in 1984 under the Societies Registration Act to coordinate and promote marketing in the Handloom Sector. It serves as a nodal agency for supply of handloom goods to be purchased by Central Government Departments/Agencies/Public Sector Undertakings etc. under Single Tender System (STS). During the year 2003-2004, ACASH has received orders worth Rs.1409.84 lakh and executed orders worth Rs.1510.43 lakh.

International fairs

The ACASH coordinated participation in -


Domestic Exhibition

The ACASH organized National Handloom Expo namely ‘India Weavers’2003’ at Dilli Haat, New Delhi from 17-31 Oct., 2003. 123 handloom agencies from various parts of the country participated. Total Sales achieved was Rs 210 lakh. ACASH organised Handlooms’ 2003 coinciding with India International Trade Fair organized by the India Trade Promotion Organisation at Handloom Pavilion, Pragati Maidan from 14-27 Nov., 2003. 37 Handloom agencies from various parts of the country participated. Total sales achieved were Rs.41 lakh. ACASH also organized “Shawl Show 2003” at Handloom Pavilion, Pragati Maidan, New Delhi from 22nd December, 2003 to 4th January, 2004. 43 handloom agencies participated. Total sales achieved were Rs 80.50 lakh.

All India Handloom Fabrics Marketing Cooperative Society Ltd.

The All India Handloom Fabrics Marketing Cooperative Society Ltd. (AIHFMCSS) is a National Level Cooperative Society presently governed under the Multi-State Cooperative Societies Act, 2002. The main objectives of the Society is to provide employment to the Handloom weavers through its marketing services by conducting sales both in domestic and export market. To achieve these objectives, the Society has set up 24 retail outlets, which are popularly known as “HANDLOOM HOUSE”. The Society has its Export Houses at NOIDA, Salem, Karur and Chennai. Also, the Society has showrooms in Singapore and Mauritius for giving an impetus to marketing of Indian handloom products in the foreign markets.

The affairs of the Society are administered by an elected Board of Directors consisting of the Representatives of the State Apex/Regional/Primary Handloom Weavers Cooperative Societies.

The membership of the Society consists of State Level/Regional Level Apex Handloom Weavers Cooperative Societies (‘A’ Class), Primary Level Handloom Weav-
ers Cooperative Societies (‘B’ class) and Public Trusts, Government and Government owned/controlled organizations engaged in production and sale of handloom products etc. (‘C’ class). The total number of shares were 1,49,737 in 2002-2003 as against 1,54,920 in 2001-02. The paid up share capital of the Society has decreased to Rs.800.73 lakh in 2002-2003 from Rs.825.93 lakh of the previous year. The Fabrics Society’s purchases during 2002-2003 amounted to Rs.3782.52 lakh against Rs.3606.30 lakhs in 2001-02. The Society’s total export during 2002-03 was of Rs.2336.78 lakh as against Rs.2236.75 lakh in the previous year. During 2002-03, the Society has been able to achieve a net profit of Rs.68.70 lakh as against Rs.40.23 lakh during the previous year. The Society was also able to achieve a sales turnover of Rs5152.09 lakh during 2002-03 as against the turnover of Rs.5129.27 lakh during the previous year.

National Handicrafts & Handlooms Museum

The National Handicrafts & Handlooms Museum (NHHM), also known as Crafts Museum is located at Pragati Maidan, New Delhi. It is a subordinate office under the office of Development Commissioner for Handlooms, Ministry of Textiles. Its main objectives are to increase public awareness about India’s ancient traditions of handicrafts and handlooms, provide an interactive forum for the crafts persons, designers, exporters, scholars and public, help crafts persons experience a direct marketing interaction with customers without middlemen, and to serve as a resource center for the Indian handicrafts and handlooms traditions. Collection, conservation and preservation of crafts, revival reproduction and development of Art and Craft constitute the basic activities of the Museum.

Museum Collection

The Museum has a collection of over 22,000 artifacts consisting of metal icons, lamps, incense burners, ritual accessories, items of everyday life, wood carvings, painted wood and sculptures, terracotta, folk and tribal jewellery and an entire section of traditional Indian textiles. They are exhibited in Bhuta Gallery, Folk & Tribal Art Gallery, Temple Gallery, Court Crafts Gallery and Textile Gallery. The Art Purchase Committee meets every year to screen proposals received from across the country to acquire and purchase artifacts for the Museum.

Crafts Demonstration Programme

The Museum has strengthened the weakening links of traditional handicrafts and handlooms through its regular monthly crafts demonstration programmes organized round the year except during the monsoon season. Craftspersons (approximately fifty per month) are invited for the Crafts Demonstration Programme to demonstrate their skills in the respective crafts and also sell their products. 400 Craftspersons were invited from various regions under this programme and around 47 performers also participated in the performing arts programmes held in Museum during the year 2003-04.
Replication:
Under the Replication of Masterpieces programme, the replication work of two rare master pieces i.e. Banarasi Brocade Saree and a Chikankaari Kurta has been completed.

Research & Documentation:
The Research and Documentation of traditional Indian Handicrafts and Handlooms is an important activity of the Crafts Museum. Under this scheme, Museum provides funds for scholars to undertake field work to document the traditions of Handicrafts and Handlooms, including Folk & Tribal Arts.

During the period from April 2003 to March 2004, the documentation of 171 craftspersons, who have participated in Crafts Demonstration Programme of the Museum completed. Detailed craft Documentation Report was prepared on various crafts viz. Lacquered Terracotta of Orissa, Dhokra Metal Casting of Bastar, Painted Woodwork of Bassi, Rajasthan and Thiya Badhia Pat-chitra of Orissa.

Village Complex:
The Museum’s Village Complex is reminiscent of rural India with structures of village dwellings and courtyards from various parts of the country. The Complex was set up in 1972 as a Rural India Complex. The complex is spread over an area of nearly seven acres within the Museum Complex. The Complex displays typical

A view of National Handicrafts & Handlooms Museum
huts, characteristic of various regions of the country, walls and courtyards decorated with traditional “folk paintings”.

The Complex includes:

- Kulu Hut (Himachal Pradesh);
- Mehr Hut (Saurashtra, Gujarat);
- Gadbha Hut (Orissa);
- Banni Hut (Gujarat);
- Madhubani courtyard (Bihar);
- Adi Hut (Arunachal Pradesh);
- Nicobar Hut (Andaman & Nicobar Islands);
- Typical courtyard of a hut (J&K);
- Rabha Hut of Assam;
- Naga Hut, Konyak ‘Morung’ or Traditional Men’s house (North Nagaland);
- Toda Hut (Tamilnadu);
- Gond Hut of Madhya Pradesh;
- Shrine of Devnarayan (Rajasthan) and Bengal Courtyard (West Bengal).

Three open-air theatres have also been developed in the complex, namely:

- Kadambari theatre
- Saranga theatre
- Angan Manch theatre.

These are used for staging folk performances.

**Library:**

The Museum has a specialized reference library on traditional Indian arts, crafts, textiles and major anthropological works on Indian tribes etc. The library has more than 20,000 reference books and other periodicals. Research scholars and students from various institutions regularly visit the Museum.

**Exhibitions:**

The Museum has a Special Exhibition Gallery in which thematic exhibitions are held.

An Exhibition of ‘Toys and Puppets: Traditional crafts of India’ inaugurated by Secretary (Textiles), Govt. Of India on 30th May, 2003 was on view till 15th July, 2003.

An exhibition “PAAT”- The Story of Indian silk, inaugurated by Secretary (Textiles), Govt. Of India on 18th November, 2003 was on view till 17th December, 2003.

**“Nabagunjara”** – An Exhibition on Handicrafts and Heritage Textiles of Orissa inaugurated by Shri Navin Patnaik, Hon’ble Chief Minister of Orissa on 7th January, 2004 was held from 8th to 22nd January, 2004.

An exhibition on Art & Crafts from Switzerland was put up in the Temporary Exhibition gallery of Crafts Museum from 13-25th January, 2004; and

The Hon’ble President of Brazil, Mr. Luiz Inacio Lula Da Silva, during his visit to the Crafts Museum on 27th January, 2004 inaugurated an Exhibition on Brazilian folk Art put together by the Museu Casa Do Pontal Rio in the Crafts Museum. It was on view till 27th February, 2004.

**Advisory Committee:**

The Advisory Committee is headed by the Minister of Textiles and comprises officials and non-officials as its members. The non-officials are drawn from experts in the field of traditional arts and crafts and related fields. The tenure of the Committee is for three years. The committee was last set up by Order dated 2nd May, 2002. The last meeting of the Advisory Committee of Crafts Museum was held on 12th February, 2004.
**Visits by Eminent Persons/Delegations:**

During the current year, a number of distinguished persons visited the National Handicrafts and Handlooms Museum:

- Mr. U. Sein Myint, the eminent Handicrafts specialist and stellar artiste of Myanmar visited the crafts museum on 3.4.2003;
- The Foreign Service Institute of Ministry of External Affairs organized 33rd Professional course for foreign Diplomats; about 26 diplomats attending the course visited the Museum on 05.04.2003;
- The twenty five Members of External Affairs Spouses Association visited the Museum on 17.04.2003;
- On 21.04.2003, a high level 5 member Mozambican delegation led by H.E. Mr. Mario Lamplao Sevene, Minister of Labour, Govt. Of Mozambique visited the Crafts Museum;
- On 1.5.2003, Sh. Panchanand Kanungo Minister Finance, Orissa and Sh. Srinivas Rathi, Development Commissioner, Orissa, visited the Crafts Museum;
- A group of 170 members including wives of Ambassadors from French speaking countries visited the Crafts Museum on 16th May 2003;
- NODDY’s Play schools has conducted cultural programme on 13.06.2003;
- IFS probationers visited the museum on 26.6.2003;
- Shri M.M. Rajendran, Hon’ble Governor of Orissa visited the Crafts Museum on 18th July, 2003;
- A Group of Afghan Diplomats from Foreign Service Institute, M/o External Affairs, visited the Crafts Museum on 9.8.2003;
- British Council organized a workshop in collaboration with Crafts Museum during Aug-Sept 2003;
- Mr. Chinnaphat Sangchawutichaikul, Sr. Industrial Officer along with Delegation from Bureau of Cottage and Handicrafts Industries Development, Department of Industrial Promotion, Bangkok, visited the Crafts Museum on 30.09.2003;
- Mr Heinz Fisher, Deputy Speaker of Parliament, Austria along with Austrian Ambassador visited the Crafts Museum on 8th October, 2003;
- ‘SEHER’ an organization, organized Annual day event by the Students of famous dancer Ms. Leela Samson on 19.10.2003;
- 25 foreign diplomats of PCFD Course visited the Museum on 08.11.2003;
- HE Mr. Lenny Saith, Minister of Information and Public Administration, Govt. of TRINIDAD & TOBAGO visited the Museum on 18.11.2003;
- Delhi Crafts Council organized an award giving function to Child craft persons in the Kadambari Theatre on 28.11.2003.
Financial Progress:
During the year 2003-04, the Museum had a Non-Plan outlay of Rs. 297 lakh and out of this total expenditure of Rs 252.20 lakh was incurred and savings of Rs 29.35 lakh were surrendered.

Handloom Activities in North Eastern Region
North Eastern Region has the highest concentration of Handlooms in the country. Out of 25.4 lakh units engaged in handloom activities, 14.6 lakh units (household and non-house hold) are in five States only, namely, Arunachal Pradesh, Assam, Manipur, Nagaland and Tripura as per the handloom census 1995-96. Over 53% of looms in the country and more than 50% of weavers belong to North Eastern States. The share of these five States of North Eastern Region in the domestic looms is 82%. However, only 13.4% of the commercial looms of the country are in those States and the contribution of those States in total production of handloom fabrics is merely 20%.

Keeping in view the potential of the region, it was decided to upgrade the Weavers’ Service Centre, Guwahati as a Regional Design Centre in pursuance of the recommendations of the conference of the State Ministers (Handlooms) of North Eastern States held on 21-22 September, 2000, it is now functioning as a Nodal Centre for designs development and dissemination of designs to the weavers in the region.

The Centre has set up a website which includes a museum of North-Eastern designs. The web-site has been linked with the National Centre for Textile Design, for the benefit of the user agencies. It will also help link all those connected with the handloom industry. The Regional Weavers’ Service Centre also undertakes imparting of training to the weavers in and outside the cooperative fold under Decentralised Training Programme and Deen Dayal Hathkargha Protsahan Yojana for providing value addition to the fabrics.

A special dispensation has been made under the Deen Dayal Hathkargha Protsahan Yojana for the North Eastern States, Sikkim, J&K, Uttarakhand and Himachal Pradesh. Under the scheme, the grant portion of some of the components of the scheme is shared between Central and State Governments for North Eastern States, Sikkim, and J&K in the ratio of 90:10, except marketing incentive, which is in the ratio 50:50. Further, transport subsidy is extended to handloom agencies of North Eastern States, Sikkim & J&K to facilitate marketing of handloom products in other parts of the country and strengthen backward linkages in terms of more employment opportunities.