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, the competition from the 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 some of the said disadvantages. As a result of these measures, the production of handloom fabrics has gone up to 7585 million sq. meters during 2001-2002 from a level of 500 million sq. meters in the early fifties. This sector accounts for 18.4% 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 the 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 has been implementing since its inception in the year 1976, 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) Employment Generation;

b) Modernization and Upgradation of Technology;

c) Input Support;

d) Marketing Support;

e) Publicity;

f) Infrastructural Support;

g) Welfare Measures;

h) Composite Growth Oriented Package;
i) Development of Exportable Products and their Marketing; and

j) Research & Development.

The various schemes implemented by the Development Commissioner for Handlooms are weaver oriented and address the needs of 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:

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.310 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 organisations. The handloom organisations 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 organisations, 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 upgradation, 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 availing of the 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 organisations at State level need to be strengthened and therefore, a component has been provided for restructuring such organisations 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 establishing infrastructure facilities, 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 Centre and the States is in the ratio of 50:50 except in the case of North Eastern States, Sikkim & J&K 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 the Centre and the 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, Integrated Handloom Village Development Scheme, Margin Money for Destitute Weavers scheme and Handloom Development Center/Quality Dyeing Unit 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.

For the year 2002-03, there is a budget provision of Rs.8070.00 lakh for disbursement of grant under the schemes covered by the DDHPY head. Out of this budget provision, a sum of Rs.2784.36 lakh has been released upto 17th January, 2003 consisting of release of Rs.2694.22 lakh under the basic input and marketing incentive components of the DDHPY, Rs.68.64 lakh under PPS and Rs.21.50 lakh under IHVD.

National Centre For Textile Design (NCTD):

National Centre for Textile Design has been set up to promote the traditional & contemporary designs so as to enable weavers 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.

NCTD has been set up in Handloom Pavilion, Pragati Maidan, New Delhi having on-line and off-line activities. On-line activities are through its website www.designdiary.com. The site has been designed and developed with different segments i.e. International and Indian trends and color forecast, panel of
designers, design pool, linkages, handicrafted textiles of India, yellow pages, archives 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” was organized in 4 metropolitan cities as well as in Hyderabad and Bangalore during the period December 2001 – March 2002. The exhibition displayed 212 yardages developed on a theme “Structures” by Weavers’ Service Centres using natural fibres in their own natural colors in different permutation and combinations of weaves, twist of yarn, ends per inch & picks per inch, count of yarn etc. Along with these yardages, finished products i.e. apparels and home furnishings developed from these yardages by the Handicrafts and Handlooms Export Corporation of India (HHEC) Ltd., and the Central Cottage Industries Corporations Ltd. (CCIC) were also displayed. These fabrics were also displayed in Sydney, Jakarta and Milan recently. The exhibitions received considerable response from domestic and foreign buyers. In view of the success of the exhibition “Tantavi”, it was decided to organize the exhibition at other textiles centres such as, Varanasi, Bhagalpur, Karur, Bagalkot, Surat and Panipat.

Further, NCTD plans to hold the next series of exhibitions “Tantavi” on a theme “Patterned Fabrics” for which, sampling work has already commenced. Such fabrics will explore novel, abstract and geometrical designs woven with natural fibres in their own natural colours during the year 2003-04.

Input Support:
Handloom sector is largely dependent on the organized 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 on the spinning mills to pack a prescribed percentage of the yarn produced by them in hank form.

Scheme for Supply of Yarn at Mill Gate Price:
This scheme was introduced during 1992 – 93 with the objective of providing all type 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 authorized to implement the scheme. The scheme benefits the following organizations and their member weavers:-

1. All Handloom organizations of National/State/Regional level.
2. Handloom Development Centres.
3. Handloom producers/ exporters/manufacturers registered with HEPC/ any other Export Promotion Council under the Union Ministry of Textiles or the State Directors of Industries.
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.
7. Any other agency with the approval of the Development Commissioner (Handlooms).

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

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

The reimbursement rates for the user agencies are as under:

<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 percentage cost of material.

In addition to the above, the NHDC has to pay 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 during 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 for transportation of yarn and for operation of yarn depot 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:

| Yarn other than Silk and Jute | 3.5% of value |
| Silk Yarn                     | 2% of value   |
| Jute Yarn                     | 10% of value  |

The expenditure for operating the mobile van is being made by NHDC first and then reimbursed to NHDC by Government of India in addition to the flat rate given above.

A new provision has been made in the guidelines stipulating that at least 10% of the total yarn supplied shall be made to North-Eastern States in conformity with the National Policy for development of North Eastern States.

During the last 5 years, a sum of Rs.2834.78 lakh has been released to NHDC under this scheme. The release made during the current year up to 17th January, 2002 has been to the tune of Rs.495.92 lakh.
The year wise details are as given below:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>AMOUNT (Rs. in lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997 – 1998</td>
<td>300.00</td>
</tr>
<tr>
<td>1998 – 1999</td>
<td>368.21</td>
</tr>
<tr>
<td>1999 – 2000</td>
<td>414.50</td>
</tr>
<tr>
<td>2000 – 2001</td>
<td>1090.13</td>
</tr>
<tr>
<td>2001 – 2002</td>
<td>661.94</td>
</tr>
<tr>
<td>2002 – 2003</td>
<td>495.92</td>
</tr>
<tr>
<td>(up to 17.01.2003)</td>
<td></td>
</tr>
</tbody>
</table>

Under the Mill Gate Price Scheme supplies of yarn have increased from 49.42 lakh kg. in 1993 – 94 to 195.58 kg. during 2001-2002. During the year 2002-2003, NHDC has supplied 113.35 lakh kg. yarn up to December 2002.

**Production And Employment Generation:**

During the year 2001-02, a total of 7585 million sq. metres of Handloom cloth is estimated to have been produced.

During the year 2002-03 up to June 2002, it is estimated that Handloom Sector had produced 2958.46 million sq. metres(provisional) of cloth. The Handloom Sector provides employment to about 124 lakh persons.

**Training To Handloom Personnel:**

To impart Training in modern management and production techniques, dyeing practices, Marketing of handloom products etc., the Office of the Development Commissioner for handlooms has been operating training programmes for human resource development in the Cooperative sector for the benefit of personnel engaged in Handloom sector at different levels through Institutions like National Council for Cooperative Training, National Cooperative Union of India and National Handloom Development Corporation. The main objective of such programmes is to create consciousness on the latest techniques in dyeing/printing and processing of Handloom fabrics and awareness among the members and the functionaries of the Handloom cooperatives about their rights and duties and to inculcate in them the spirit of cooperation and enhance their participation in the day to day activities of the Cooperatives concerned.

**Weavers Service Centre (WSC) :**

Presently there are 24 Weavers’ Service Centres are functioning under the Office of the Development Commissioner for Handlooms which play a vital role in conducting research and development and 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 Weavers’ Service Centres primarily render extension services, which involve transfer of design inputs, skills and technology evolved in the Weavers’ Service Centres to the weavers at their cottages.

**Indian Institutes of Handloom Technology (IIHT) :**

The Indian Institute of Handloom Technology 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 Varanasi, Salem, Guwahati, and Jodhpur in the Central Sector and two IIHTs at Venkatagri (AP) & Gadag (Karnataka) in the State Sector.

Decentralised Training of Weavers:
Decentralised Training Programme is aimed 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.

Year-wise performance of the scheme during the 9th Plan period is given below:

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Weavers trained</th>
<th>Amount sanctioned (Rs. in Lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997-98</td>
<td>1814</td>
<td>89.10</td>
</tr>
<tr>
<td>1998-99</td>
<td>3172</td>
<td>156.19</td>
</tr>
<tr>
<td>1999-2000</td>
<td>3898</td>
<td>154.74</td>
</tr>
<tr>
<td>2000-2001</td>
<td>2900</td>
<td>105.66</td>
</tr>
<tr>
<td>2001-2002</td>
<td>3150</td>
<td>210.00</td>
</tr>
<tr>
<td>Total</td>
<td>14,934</td>
<td>715.69</td>
</tr>
</tbody>
</table>

Design Exhibition-cum-Dyeing Workshop:
The Weavers Service Centres have been organizing Dyeing - cum - Design Workshops since 1995-96 with a view to creating awareness in the weavers' concentrated areas about the services available in Weavers' Service Centres and to impart training in Dyeing Techniques and Design Development. Design Exhibitions and 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.

Year-wise number of exhibitions conducted and expenditure sanctioned during the 9th Plan period is as under:-

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Dyeing &amp; Design Exhibition Conducted</th>
<th>Amount Sanctioned (in Lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997-98</td>
<td>45</td>
<td>6.60</td>
</tr>
<tr>
<td>1998-99</td>
<td>104</td>
<td>17.00</td>
</tr>
<tr>
<td>1999-2000</td>
<td>89</td>
<td>9.40</td>
</tr>
<tr>
<td>2000-2001</td>
<td>240</td>
<td>24.00</td>
</tr>
<tr>
<td>2001-2002</td>
<td>240</td>
<td>24.00</td>
</tr>
<tr>
<td>Total</td>
<td>718</td>
<td>81.00</td>
</tr>
</tbody>
</table>

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.

During the year 2002-2003, Rs. 4,19,03,434/- was sanctioned for organizing 240 training programmes for training of 6000 weavers under Decentralised Training of Weavers and Rs.24,00,000/- was released for conducting 240 Dyeing workshop cum Design exhibitions by various WSCs.

Workshed-Cum-Housing Scheme For Handloom Weavers:

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 to the weavers thereby achieving better productivity. The scheme is being implemented by the respective State Handloom Development Corporations, primary Societies or any other specialized agency set up by the concerned State Government for execution of such projects.

During the current year of the X Plan, the funding pattern of the Central assistance and the weavers' contribution as also the loan tie up arrangement is given as under:

The funding pattern during the current year remains the same as that existed during the IX Five year Plan. During the year 2001-02 a sum of Rs.980.54 lakh was released for construction of 3650 units of Workshed/Workshed-cum-Houses including releases made in respect of past commitment under the Scheme.

For the current financial year 2002-03, a budget provision of Rs.1100.00 lakh has been provided, out of which Rs.400.00 lakh has been earmarked for North Eastern States. As on 25.02.2003 a total sum of Rs.101.77 lakh has been released towards second instalment in past cases to various State Governments, out of which an amount of Rs.23.50 lakh has been released to North Eastern States.

Weavers’ Welfare Scheme:

The Hon’ble Prime Minister, in his Independence Day address to the Nation, on 15th August, 2002 announced the implementation of a special contributory insurance scheme for One Million weavers and artisans, combining the ‘Janshree Bima Yojana’ with Group insurance Scheme. Accordingly, it has been proposed to implement the ‘Bunkar Bima Yojana’, which is a combination of the ‘Janshree Bima Yojana’ and Add-on Group Insurance Scheme during the X Plan.

<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>
period to cover Nine Lakh weavers in the handloom sector.

Keeping in view the recommendation of the Working Group on Textiles and Jute Industry for the X Five Year Plan and also in accordance with the announcement made by the Prime Minister for launching of the aforementioned special insurance scheme, it is proposed to implement a comprehensive Scheme called ‘Weavers’ Welfare Scheme’ with Health Package, Thrift Fund, Bunkar Bima Yojana and Package insurance for handloom weavers as its components with revised funding pattern. However for the present the welfare scheme are been continued on the existing funding pattern till the approval for the weavers welfare scheme is obtained.

A provision of Rs.700.00 lakh has been made during 2002-03 for “Weavers’ Welfare Scheme”, out of which Rs.200.00 lakh has been earmarked for North Eastern States. As on 25.02.2003, a sum of Rs.9.17 lakh has been released towards balance dues of previous sanctions.

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 were provided financial assistance for the treatment of diseases like asthma, tuberculosis and inflammation of respiratory system, cost of testing of eyes 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 financial year 2001-02, a sum of Rs.37.66 lakh was released to State Governments under this Scheme to various State Governments for covering 1630 weavers.

(ii) Thrift Fund Scheme for Handloom weavers:

The Thrift Fund Scheme for Handloom Weavers was introduced in the VIII Five Year Plan as one of the special welfare measures from the Government of India. The Scheme envisaged 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 were to be contributed by the weavers, and 4% each by the Central and State Governments.

For the year 2001-02 a sum of Rs.320.15 lakh was released to the State Governments to cover 1,07,643 weavers under the scheme.

(iii) Group Insurance Scheme for Handloom weavers:

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 their family and to act as a support system against the uncertainty of their working capacity in old age. Under the Scheme, a weaver was provided an insurance coverage of Rs.10,000/- for an
annual premium of Rs.120/- per annum which was shared equally by the beneficiary, the Central Government and the State Government.

During the year 2001-02 a sum of Rs.42.32 lakh was released under this scheme to the State Governments for covering 1,15,062 weavers.

(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 for the Ninth Five-Year Plan. The New Insurance Scheme provided coverage against loss or damage to dwelling units due to flood, fire, earthquake etc. damage to contents of the dwelling units like looms, raw material etc.; medical coverage and Personal Accidental Insurance against accidental death at a 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 year 2001-2002, an amount of Rs.10.00 lakh was released to the United India Insurance Company Ltd. for covering 16,666 weavers.

HANDLOOM EXPORTS

Development Of Exportable Products And Their Marketing Scheme:

The importance of the handloom sector in the national economy is well recognized particularly from the point of view of its contribution to textile exports. On account of having the advantage of flexibility of small production run, 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 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 an 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 has been under implementation since 1996-97. Under the scheme, assistance is made available for developing exportable products and building up production capability for export marketing.

National and State level Handloom Corporations, Apex Cooperative societies and Primary Handloom Weavers Cooperative societies are eligible for assistance under this scheme. Private handloom exporters could be assisted through HEPC.

The project cost under the Scheme is shared by the Centre and the State Government/beneficiary agency. The agencies sponsored by Central Government like HEPC, HHEC, NHDC, ACASH etc. are entitled to 100% assistance from the Government of India under the scheme.
HANDLOOM EXPORT PROMOTION COUNCIL

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 cotton 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.
◆ Organization 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.

◆ Provision of design inputs to promote export of handloom products.

The Indian cotton handloom fabrics and made-ups occupy a place of eminence in the sought-after 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 DEPM Scheme, the export of cotton handloom fabrics and made-ups has been as under :-

<table>
<thead>
<tr>
<th>Year</th>
<th>Rupees in Crore</th>
<th>Million US $</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997-98</td>
<td>1840.05</td>
<td>492.41</td>
</tr>
<tr>
<td>1998-99</td>
<td>1918.34</td>
<td>455.98</td>
</tr>
<tr>
<td>1999-00</td>
<td>1980.04</td>
<td>456.94</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></td>
<td></td>
</tr>
<tr>
<td>(April to Sept., 2002)</td>
<td>1308.15</td>
<td>268.18</td>
</tr>
</tbody>
</table>

Since the inception of the DEPM scheme in October, 1996 till 31st March 2002, 96 DEPM projects covering 19,683 weavers, have been sanctioned. Apart from this, financial assistance for participation in 39 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.
A sum of Rs. 10.75 crore was released for 96 DEPM projects and Rs. 11.04 crore for participation in 37 International trade events.

The DEPM Scheme has been continued during the 10th Five Year Plan, in a modified form and under a modified nomenclature ‘Handloom Export Scheme’. A provision of Rs. 31.00 crore has been made for implementation of the ‘Handloom Export Scheme’ during the 10th Five Year Plan, of which, a sum of Rs. 5.00 crore has been provided for the Annual Plan 2002-03 for meeting expenses in respect of fresh projects and for meeting committed liabilities in respect of the projects sanctioned in the past. During the current financial year, a provision of Rs. 2.00 crore has also been made for the States falling under North Eastern Region. As on 25th February 2003, a sum of Rs. 96.35 lakh has been released towards committed liabilities and for participation in one international trade event.

**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 Governments 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 agencies recommended by the State Governments towards infrastructure, Publicity etc. These activities are supportive to the handloom agencies, weavers and also the consumers. During 2001-02, 09 National Handloom Expos and 09 Special Expos, 92 District Level Events, 04 Craft Melas and One Master Creation Programme were organised in different parts of the country and 06 Urban Haats were approved. An amount of Rs.682.45 Lakh was spent on those events and activities in 2001-02.

In the 10th Plan, a Scheme called “Marketing Promotion Programme” is being formulated as an integrated scheme by merging several earlier schemes, on the recommendation of the Planning Commission’s Working Group on Textiles and Jute Industry for the 10th Plan. The Marketing Promotion Programme would provide for organisation of Exhibitions and Fairs, Setting up of Urban Haats, Setting up of Marketing Complexes, Publicity and Awareness. During the year 2002-03, a budgetary provision of Rs.7.00 crore(General Budget) and Rs. 2.00 crore...
for NER States has been made for publicising the developmental activities of the handloom sector and to facilitate marketing of handloom products through fairs and exhibitions under Marketing Promotion Programme.

In the current year 2002-03, 11 National Handloom Expos and 10 Special Expos have been approved, 145 District Level Events in different parts of the country have also been approved in 2002-03.

The Office of the Development Commissioner for Handlooms is assisting and also participating in the Crafts Melas at Shilpagram (Udaipur), Surajkund (Haryana), Shilparamam (Hyderabad), Taj Mahotsav (Agra), Paaramparya Arts & Craft Festival (Kollam), Patiala Crafts Mela and Master Creations Programme at Dilli Haat, New Delhi by extending financial assistance and by sponsoring weavers for demonstration of their crafts together with sale of handloom products. Upto 21st February, 2003 a sum of Rs.783 lakh has been sanctioned to the various implementing agencies for organising District Level Events, National Handloom Expos/Special Expos and Crafts Melas.

**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 sectors. Eleven categories of textile articles are reserved under the provisions of the Act at present 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 from 1999-2000 to 2001-02 along with the targets for 2002-03 and achievements upto Jan 03 are as

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Physical</th>
<th>1999-00</th>
<th>2000-01</th>
<th>2001-02</th>
<th>2002-03 (As on Jan 03)</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>
</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>1,28,175</td>
</tr>
<tr>
<td>3</td>
<td>No. of FIRs lodged</td>
<td>25</td>
<td>27</td>
<td>30</td>
<td>21</td>
</tr>
<tr>
<td>4</td>
<td>No. of Convictions</td>
<td>22</td>
<td>30</td>
<td>26</td>
<td>19</td>
</tr>
<tr>
<td>5</td>
<td>Cases in pipeline</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>41</td>
</tr>
<tr>
<td><strong>Financial</strong></td>
<td><strong>1999-00</strong></td>
<td><strong>2000-01</strong></td>
<td><strong>2001-02</strong></td>
<td><strong>2002-03</strong></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Budget grant (Rs. in lakh)</td>
<td>80.00</td>
<td>96.00</td>
<td>90.00</td>
<td>95.00</td>
</tr>
<tr>
<td>2</td>
<td>Expenditure (Rs. in lakh)</td>
<td>78.39</td>
<td>56.06</td>
<td>57.44</td>
<td>51,20,588</td>
</tr>
</tbody>
</table>

* Upto 31.01.2003
The Central Government has also been providing assistance to the States/UTs under the scheme “Implementation of Handlooms (Reservation of Articles for Production) Act, 1985” to ensure effective implementation of the Act, at State level. The details of State wise assistance extended by the Central Government during the years 1999-2000 to 2001-02 have been as below:

The central funding to States/UTs has been cent per cent during the Ninth Five Year Plan. During the 10th Five Year Plan period, the outlay earmarked is Rs.6.00 crore, and for the current financial year 2002-03, the outlay is 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

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<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the State</th>
<th>Amount released (Rs. in lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Andhra Pradesh</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>Orissa</td>
<td>-</td>
</tr>
<tr>
<td>3.</td>
<td>West Bengal</td>
<td>5.78</td>
</tr>
<tr>
<td>4.</td>
<td>Uttar Pradesh</td>
<td>-</td>
</tr>
<tr>
<td>5.</td>
<td>Karnataka</td>
<td>-</td>
</tr>
<tr>
<td>7.</td>
<td>Rajasthan</td>
<td>6.07</td>
</tr>
<tr>
<td>8.</td>
<td>Kerala</td>
<td>-</td>
</tr>
<tr>
<td>10.</td>
<td>Haryana</td>
<td>6.86</td>
</tr>
<tr>
<td>11.</td>
<td>Tamil Nadu</td>
<td>27.99</td>
</tr>
<tr>
<td>12.</td>
<td>Bihar</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>70.00</strong></td>
</tr>
</tbody>
</table>
aspects of handloom sector with the help of expertise of reputed research institutes and other professional/voluntary organizations, Non-Governmental Organizations registered under any of the statutory Acts, Universities, IIHTs/WSCs having basic infrastructural facilities to effectively implement the scheme through studies, need based survey, research and development etc.

During the year 2001-02, a sum of Rs.39.78 lakh was released to different organizations under this Scheme.

In the 10th Five Year Plan, the Research and Development programme is one of the components under the Comprehensive Plan scheme namely, “Design Development and Training Programme” where an amount of Rs.75.00 lakh has been kept for the R&D projects during current financial year 2002-03 against which an amount of Rs. 18.80 lakh has been released to the concerned organisations upto 31st January, 2003.

**Marketing through ACASH**:

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 2001-02, ACASH received supply orders worth Rs.19.66 crore and executed orders worth Rs.25.06 crore. During the current year i.e. 2002-03 (upto 15th January, 2003), ACASH has received orders worth Rs.15.68 crore and executed orders worth Rs. 8.72 crore.

**INTERNATIONAL FAIRS**:

ACASH coordinated participation in the following:

(i) Buyer-Seller Meet, Tokyo from 15-17 May, 2001 organised by India Trade Promotion Organisation (ITPO). Five agencies participated in it.


(iii) AGS Fair at Jakarta from 14-16 March, 2002. Three agencies participated in it.


(v) Heimtextil India at Pragati Maidan in New Delhi from 4-7 October 2002. Three Agencies participated in the fair.

**Domestic Exhibitions**:

ACASH organized a National Handloom Expo namely ‘India Weaves 2001’ at Dilli Haat from 17-31 October, 2001. 143 handloom agencies from various parts of the country participated. It had also participated in the India International Trade Fair organized by the India Trade Promotion Organisation at Pragati Maidan, New Delhi during November 14-27, 2001. 35 agencies participated.

ACASH organized a National Handloom
Expo namely ‘India Weaves 2002’ at Dilli Haat from 17-31 October, 2002. 121 handloom agencies from various parts of the country participated. It had also participated in the India International Trade Fair organized by the India Trade Promotion Organisation at Pragati Maidan, New Delhi during November 14-27, 2002. 35 agencies participated.

**All India Handloom Fabrics Marketing Cooperative Society Ltd. (AIHFMCS) :**

The All India handloom Fabrics Marketing Cooperative Society Ltd., Delhi is a National level Cooperative Society presently governed under the Multi-State Cooperative Societies Act, 1984. The main objective 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 25 Retail Outlets, which are popularly known as “HANDLOOM HOUSE”. The Society has its Export Houses at NOIDA, Salem, Karur, Chennai and Kolkata. 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 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 Weavers’ 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 1,54,920 in 2001-02 as against 1,53,631 in 2000-01. The paid up share capital of the Society has increased to Rs.825.92 lakh in 2001-02 from Rs.818.63 lakh of the previous year. The Fabric Society’s purchases during 2001-02 amounted to Rs.3606.30 lakh against Rs.4397.05 lakh in 2000-01. The society’s total export during 2001-02 was of Rs.2236.75 lakh as against Rs.2693.16 lakh in the previous year. During 2001-02 the Society has been able to achieve a net profit of Rs.40.23 lakh against Rs.44.54 lakh during the previous year. The Society was also able to achieve a sales turnover of Rs.51.29 crore during 2001-02 as against the turnover of Rs.57.65 crore during the previous year.

During the current year (i.e. 2002-03), the Society is expected to achieve a minimum of 20% growth rate in its turnover over the previous year’s achievement. As on 31st December, 2002, the society has achieved sales turnover of Rs. 40 crore approximately.

**National Handicrafts & Handlooms Museum (NHHM):**

The National Handicrafts & Handlooms Museum also known as Crafts Museum is located at Pragati Maidan, New Delhi. It is a sub-ordinate 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 handicraft and handloom 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. They are exhibited in Bhuta Gallery, Folk & Tribal Art Gallery, Temple Gallery, Court Craft Gallery and Textile Gallery. The collection consists of Metal Icons, traditional lamps, Ritual accessories, popular items of daily life used by diverse communities in various tribal and rural regions, Wood carvings, Painted wood and Paper Mache, Dolls, Toys, Puppets, Masks, Folk and tribal paintings and sculptures in Terracotta, Ivory etc., traditional Playing cards (Ganjifas), Bidri work, jewellery and traditional Indian textiles. The Art Purchase Committee meets every year to screen proposals received from across the country to acquire and purchase artifacts for the Museum. The meeting of the art acquisition committee of Crafts Museum was held on 12th 13th December, 2002 and 167 art objects were acquired worth Rs 15,57,804.

**Craft demonstration programme:** The Museum has strengthened the weakening links of traditional handicrafts and handlooms through its regular monthly craft demonstration programmes organised round the year except during the monsoon season. Craftsmen (approximately) fifty per month are invited for the Craft Demonstration Programme to demonstrate their skills in the respective crafts and also sell their products. 304 Craftsmen were invited from various regions under this programme during the year 2002-2003 upto 31st January, 2003. Around 39 performers also participated in the performing arts programmes held in Museum during the year 2002-2003,(up to January, 2003).

**Village Complex:** The Museum’s Village Complex is a replica of rural India with following structures of village dwellings and courtyards from various parts of the country.

Kulu Hut (Himachal Pradesh), Meher Hut
MINISTRY OF TEXTILE

(Sourashtra, Gujarat), Banni Hut (Gujarat), Madhubani courtyard (Bihar), Bhilwara courtyard (Rajasthan), West Bengal courtyard, Nicobar Hut (Nicobar Islands), Typical courtyard of a hut (Jammu & Kashmir), Adi Hut (Arunachal Pradesh), Rabhas of Assam, Naga Hut (Nagaland), Gadbas (Orissa), Toda Hut (Tamil Nadu) and Gonds Hut (Madhya Pradesh).

Library: 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. During the current year around 4200 persons visited the Library and 2300 books and 1360 Magazines were issued for reference up to 31st January, 2003.

Exhibitions: The Museum has a Special Exhibition Gallery in which thematic exhibitions are held. The following exhibitions were organized in the Museum during the current year up to 31st January, 2003:

(a) An exhibition titled: “Phulkari of Punjab” was held from 16.05.2002 to 31.07.2002.

(b) “The Heart of the Deer”- a collection of photographs on the Huichol Culture of Mexico was held from 18-9-2002 to 28-9-2002.

(c) The exhibition “Phulkari of Punjaab” was also exhibited at the Government Museum and Art Gallery, Chandigarh from October 23, 2002 to November 22, 2002.

(d) An exhibition “Traditional lamps” was held in the Special Exhibition Gallery of Crafts Museum from 28.10.2002 to 27.11.2002. During this period Diyas and Candles were also sold by Craftspersons.

(e) An exhibition “Splendors of Indian Textiles” was curated and loaned to ICCR for being held in Phnom Penh, Cambodia during ASEAN Summit. It was inaugurated by Hon’ble Prime Minister of India and HM Queen of Cambodia.

(f) For an exhibition “LIBAAS” –Indian Costume through the Centre, Riyad, exhibits were loaned by the Crafts Museum from 05-10-2002 to 25-10-2002.

Advisory Committee: During the current year 1st meeting of the Advisory Committee was held in May 2002 and 2nd meeting was held on 1.1.03. The Advisory Committee reviewed the various developmental activities of the Museum and gave further guidance for its activities.

V.I.P. Visits: During the current year upto 31.01.2003, the following dignitaries visited the Museum:

(a) Dr. Eduardo Serrano, Director General of Cultural Affairs, Colombia, Ministry of External Affairs, along with delegates visited the museum on 4th May, 2002;

(b) Mrs. Colin Powell w/o Gen. Colin Powell, U.S. Secretary of State, visited the museum on 28th July, 2002.
(c) Mr Tan Swie Hian, a renowned artist from Singapore visited the Museum on 28-8-2002.

(d) Dr. Carlos Flores Alcocer, Head of the Presidential office for Strategic Planning and Regional Development (Cabinet Minister Rank) of Mexico visited the museum on 4th September, 2002.

(e) Danish study group from Royal Danish Embassy visited the Museum during October, 2002.

(f) A team of Rotary Club members visited the Museum during December 2002.

Financial Progress: During the current year the museum has a Non-Plan outlay of Rs. 291.00 lakh and spent Rs. 176.00 lakh up to Jan, 2003.

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-household) 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.

Handloom display at National Handloom Expo. Hyderabad.
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 design development and dissemination of designs to the weavers in the region.

The Centre has set up a web-site 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. 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 & J&K in the ratio of 90 : 10, except marketing incentive, which is in the ratio of 50 : 50. Further, transport subsidy is extended to handloom agencies in the region to facilitate marketing of handloom products in other parts of the Country and strengthen backward linkages in terms of more employment opportunities.