Chapter - V

POLICIES AND SCHEMES OF GOVERNMENT TOWARDS HANDLOOMS

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5.1 Introduction

The handloom sector is known for its heritage and the tradition of excellent craftsmanship. But the handloom sector is facing a number of problems like obsolete technology and traditional production techniques, high price of silk, inadequate availability of inputs like standardized dyes and chemicals in small packs, lack of new designs, inadequate training for upgradation of skills, inadequate marketing intelligence and feedback. Besides, it suffers from disadvantages like unorganized structure, weak financial base of the weavers and bureaucratization/politicization of cooperatives.

In order to protect the interest of the weavers the Central and State Government have implemented various schemes and policies to help, improve the viability and accelerate the growth of the handloom industry. The main objective of the Government is to increase the cooperative coverage to the maximum extent possible in order to end exploitation of the weavers by middlemen. Hence, an attempt is made in this chapter to present information about various policies and schemes of Government for the promotion and development of the handloom sector.

The Department of Handlooms & Textiles was formed on 1-4-1992 under the control of Commerce and Industries Department, Government of Karnataka. As on 31.3.2004 there were 643 Handloom and Power loom Cooperative societies registered of which 453 were working. As per the 1995-96 Census, 76605 Handlooms and 88,556 Power looms were in existence. For the development of the textile sector, the following schemes were implemented during the year 2004-05.

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1 http://www.karunadu.gov.in/textiles/Pages/annrep_2004-05.aspx
5.2 POLICIES AND SCHEMES

1. Textile Policy (2004-09)

The objective of the Textile Policy of the State Government is to strengthen and develop a dynamic and growth-oriented textile sector and generate employment at various skill levels of the society to meet the emerging global challenges. The textile sector contributes 4% of National GDP and shares nearly 35% of the country’s export earnings. The policy aims to create improved manufacturing processes, skilled human resources and best management practices in the textile sector.

The policy envisages an investment of Rs 341.20 crores, out of which the Government of India contribution was expected at Rs 210.61 crores and the State’s contribution at Rs 130.59 crores^.

2. Weavers Special Package

For the overall development of the handloom and powerloom weavers in the State, the State Government announced Weavers Special Package which came into implementation vide Government Order dated 9.11.2004.

This package includes

- Power subsidy for power loom units having connected load of upto 10 HP and up to 10 power loom including pre loom activities.

- To waive off interest and penal interest on loans secured by the weavers for Govt. schemes.

- Coverage of “Yeshaswini” Health Scheme for weavers.

- Support to KHDC in terms of margin money and raw material purchase.

^ Ibid

2 Ibid
• Support to Handloom Training Institute, Gadag-Betageri and Advance Training Institute, Jamakhandi.

• Assistance towards establishment of Hi-Tech Silk Weaving Park at Anekal, Bangalore (U) District.

During the year 2004-05, a budget provision of Rs.26.00 crores was made and the entire amount was released for the implementation of the above schemes.

3. **Thrift Fund for Handloom Weavers**

The objective of this centrally sponsored scheme is to encourage the habit of savings amongst the weavers belonging to the cooperative & corporate sectors by providing matching share on the amount saved by them at the rate of 8% on the wages earned. 4% is provided by the State and 4% from the Central Government. State Government has accorded sanction for the release of State Share of Rs.20 lakhs while the Central Share of Rs.20 lakhs has also been released during the year 2004-05. This has been released to 14 sub centers of KHDC and 20 cooperative societies3.

4. **Health Package Scheme for Handloom Weavers**

This is a Central Sector Scheme oriented to provide health facilities to the handloom weavers, which includes safe drinking water, medical facilities and family planning benefits. Rs.1,500 is provided for the treatment of the weavers suffering from diseases like T.B., Asthma etc., Rs.190 for testing of eyes and purchase of spectacles, Rs.35,000 for borewells, Rs.500 for maternity benefit, Rs.100 as a measure of encouragement to the weavers who undergo family planning surgeries. During 2004-05 Government of India released

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Rs.36.42 lakhs to the State Government facilitating 7192 weavers under different components of the scheme.

5. Exhibitions and Fairs

This is a Central Sector Scheme under which assistance is provided for infrastructure and publicity costs for conducting Handloom Expositions. Government of India accorded sanction to conduct District Level Exhibitions at Udupi, Bangalore (Urban), Bangalore (Rural), Shimoga, Chitradurga, Dharwad, Raichur and Mandya and Special Expos at Hubli and Mysore during the year 2004-05.

With the assistance of Government of India, a National Handloom Expo entitled ‘Harshakala’ was conducted between 22-12-2009 to 12-1-10 at Bangalore. 84 stalls from different states participated in the exhibition and around Rs.560 lakhs worth of Handloom products were sold during the period.


The objective of this component of the Deendayal Hathkarga Prothsahana Yojana, a centrally sponsored scheme is to provide comprehensive support for infrastructure, supply of basic input, working capital and marketing incentives for the overall development of weavers through the Karnataka Handloom Development Corporation.

There is a budget provision of Rs.200.00 lakhs under this scheme constituting Rs.100.00 lakhs as State Share and Rs.100.00 lakhs as Central Share. Out of this, Rs.68.40 lakhs has been released as Central Share & Rs.32.95 lakhs as State Share. Totally Rs.101.35 lakhs has been released to K.H.D.C.

\[4\] Ibid.
7. **Deendayal Hathkarga Prothsahana Yojana – Cooperatives**

The objective of this component of the Deendayal Hathkarga Prothsahana Yojana is the same as above, except that it is meant for weavers attached to Primary Handloom Cooperative Societies.

There is a budget provision of Rs.200.00 lakhs under this scheme constituting Rs.100.00 lakhs as State Share and Rs.100.00 lakhs as Central Share. Rs.86.06 lakhs as Central share and State share of Rs.73.39 lakhs, totalling Rs.159.45 lakhs has been released to the Cooperative societies.

8. **Living-cum-Work Sheds**

This is a Central sector scheme. As the improvement of work place is an important infrastructure support for the weavers, living-cum-worksheds are constructed for better work environment and space for installation of improved looms.

For this scheme Rs.295.28 lakhs budget provision was made and Rs.288.28 lakhs Central share has been released during 2004-05. This amount was utilized for the construction of 1330 living-cum-work sheds and 668 worksheds. An additional amount of Rs.236.45 lakhs has been released by the Government of India to the State Government.

9. **Subsidized Saris and Dhotis Scheme for Weaker sections**

Under this State sector scheme, Sarees and Dhotis are distributed at subsidized prices through the Public Distribution System (PDS) to the weaker sections of the society. Under this scheme, the budgeted amount is released to the Karnataka Handloom Development Corporation for the production of sarees and dhotis. This scheme is being implemented with a budget allotment.

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5 Ibid
6 Ibid
of Rs.341.21 lakhs during the current year of which the entire amount was released to KHDC.

10. Assistance to Handloom Cooperatives

Under this State sector scheme, assistance will be provided to the following programmes:

- State level Exhibition
- Awards to Weavers
- Establishment of Handloom Technology Institute at Gadag and Betageri
- Subsidy towards interest on loans borrowed by handloom weavers cooperatives (NABARD)
- *Nekarara Kalyana Yojana*
- Advance Training Institute of Handloom Weavers at Jamakandi
- New Designs and Trends
- Management and Training
- Training to Handloom Weavers

During the year 2004-05, an amount of Rs.25.00 lakhs was released by the Government which was utilised for the components of Nekara Kalyana Yojana, interest subsidy and training to handloom weavers.

11. National Cooperative Development Corporation (NCDC) Assistance to Handloom Cooperatives

NCDC assistance can be availed through the State Government for infrastructure such as looms, common facilities centers and share capital to the handloom co-operatives. During the year 2004-05, Rs.5.00 lakhs was released as share capital to one handloom co-operative society.
12. Apparel Park at Bangalore

In association with Government of India an Apparel Park for the development of the apparel sector in the State, is being established at a cost of Rs. 52 crores near Doddaballapur in Bangalore (Rural) district and 187 acres of land has been acquired and Construction of infrastructure is under progress. On completion of this project around 50,000 people are expected to be provided with employment opportunities. Rs.550.00 lakhs has been released for the acquisition of 187 acres of land and Rs.4.54 crores been invested by KIADB (Nodal Agency) towards infrastructure development. Already 121 acres of land has been allotted to 28 units.

13. Janatha Cloth Scheme

The Government of India in August 1990 introduced a new scheme for handloom weavers called “JANATHA CLOTH SCHEME”. The scheme was started to give cloth to the poor people at cheaper rate and to provide work for the weavers both on consumer side and production side it is helpful.

14. Karnataka Handloom Development Corporation (KHDC)

The KHDC was established during the year 1975 for the development of handlooms in the State. KHDC operates through showrooms and projects involving 12,675 weavers. The Corporation had a turnover of Rs 78 crores (provisional) during the year 2004-05. Amongst the important functions of the Corporation during the year was to introduce new products like shirts, designer sarees and dresses. The Corporation also supplied uniforms worth Rs.43.90 crores under the Vidya Vikasa Scheme of the Department of Education.

Under the Weavers Special Package, the Corporation received Rs.6.00 crores as margin money and raw material purchase support from the State

\[\text{Ibid}\]
government. In addition, the State Government converted Rs.28.66 crores loan as equity and provided Rs.7.00 crores for VRS of employees.

5.3 THE HANDLOOMS (Reservation of Articles for Production) ACT, 1985

It is an Act to provide reservation of certain articles for exclusive production by handlooms and for matters connected therewith. It was enacted by Parliament in the Thirty-sixth Year of the Republic of India.

Handloom Reservation Act and its Enforcement

Handloom Act shields handloom weavers against power loom and textile mill operators by reserving certain textile articles (presently eleven in number) for exclusive production by handloom. The list of these articles is given below:

Products Reserved for Production of Handlooms

1. Saree

(a) A Saree is a fabric made out of cotton or silk or in any combination thereof irrespective of count of yarn and dimensions, which is commonly known by that name and is characterized by the following:

(i) has extra warp and/or extra weft design in the border and/or heading and/or body including buttas containing any coloured or grey or bleached yarn or zari or any other metallic/ metallised yarn or in combination thereof; and/or (ii) has a solid coloured woven border.

(b) Tie and dye saree, warp-wise and/or weft-wise made out of cotton or silk or art silk or in any combination thereof irrespective of count of yarn and dimensions with or without extra weft or extra weft solid woven border.
2. Dhoti

Dhoti is a fabric made out of cotton or silk or in any combination thereof woven with extra warp and/or extra weft design using more than 16 dents inclusive of selvedge in the border (including solid coloured woven border) and/or extra weft heading irrespective of count and dimensions, which are commonly known by that name.

3. Towel, Gamcha and Angavastram

A towel is a fabric woven in plain, mat, twill, honey, comb, huckaback or a combination of these weaves with border or heading which is also jointly characterized by the following:

(i) is made of cotton or blends of cotton with any other fibre;
(ii) are made in different dimensions;
(iii) may be white or coloured; and
(iv) may contain decorative design when produced on jacquard;
(v) Towels with mat weave is commonly known as Erazha Thorthu in Kerala and Erazha Thundu in Tamil Nadu and also includes gamcha and Angavastram.

4. Lungi

Lungi is fabric made out of cotton or art silk or in any combination thereof having a width of 110 cms. Or above and 64 ends per inch and above and woven in check and/or stripe design using coloured yarn to form check and/or stripe pattern.

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8 http://handlooms.nic.in/hl_act_so_1127.html
5. **Khes, Bedsheet, Bedcover, Counterpane, Furnishing (including tapestry, upholstery)**

Khes, bedsheet, bedcover, counterpane, furnishing (including tapestry, upholstery) and by whatever name they may be called in different parts of country, including double cloth and tie & dye, made out of cotton or art silk or in any combination thereof, woven with design pattern on multi-treadle loom and/or with dobbey and/or jacquards upto 200 hooks in case of pure cotton warp and upto 400 hooks in case of combination of cotton & art silk warp, irrespective of count and dimensions.

6. **Jamakkalam Durry or Durret**

Jamakkalam Durry or Durret commonly known by that name made out of cotton or art silk or wool or jute or in any combination thereof using coarse count of single yarn or plies of resultant count having upto 24 ends/inch, woven with plain weave or twill weave or in combination of both twill and plain weave in any dimension.

7. **Dress Material**

Dress Material including Mashru cloth and yarn tie & die cloth, made out of cotton or silk (including spun silk) or art silk or in any combination thereof woven with extra weft design in the border and/or body irrespective of count and dimensions. This also includes Telia Rumal, Real Madras Handkerchief which is commonly known by that name.

8. **Barrack Blankets, Kambal or Kamblies**

Barrack blanket is a thick fabric made of woolen yarn of any count and any colour having fibrous surface produced by milling and rising.

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9 Ibid.
9. **Shawl, Loi, Muffler, Pankhi etc.**

Shawl is a piece of cloth woven from worsted or woollen or cashmilon or Pashmina or any other fibre and/or blends thereof which is used by ladies or gents for covering their body/worn over the shoulders without any tailor ing process.

10. **Woollen Tweed**

It is a piece of fabric woven by 100% pure woollen yarn for making coats, jackets and dress materials.

11. **Chaddar, Mekhala/ Phanek**

It is used for covering lower and/or upper part of the body and is manufactured from cotton or silk or art silk or in any combination thereof woven in plain/will weave with check or stripe design irrespective of count and dimensions and is characterized by a border and/or cross border with extra warp and/or extra weft design.¹⁰

Penalty for contravention of orders made under section 3 whoever produces any article or class of articles in contravention of an order made under section 3:

a. Shall be punishable with imprisonment for a term which may extend to six months or with fine which may extend to five thousand rupees per loom by which the said Article or class of Articles is produced, or with both, and in the case of a continuing contravention, with an additional fine which may extend to five hundred rupees per loom for everyday during which such contravention continues after conviction for the first such contravention; and

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¹⁰ Ibid.
b. the article or class of articles in respect of which the order has been contravened or any powerloom by the use of which such order is contravened, including any package, covering or receptacle in which the article or class of articles is found, shall be forfeited to the Central Government: Provided that if the court is of opinion that it is not necessary to direct forfeiture in respect of any of the articles, powerloom or any package, covering or receptacle, it may, for reasons to be recorded, refrain from doing so.

5.4 Promotional and Developmental Programs for Handloom Sector in India: Handloom Export Promotion Council (HEPC)

The HEPC is the apex body established by the Government of India to promote Indian handloom products. The role of the council is very similar to that of the Export Promotion Bureau (EPB) in Pakistan, with the only difference that HEPC is exclusively for handloom products whereas, EPB has the task of marketing all the products, across sectors. The council represents the Indian handloom industry and participates in international as well as local events in order to promote the handloom textiles. Besides this the Government of India has established a network of agencies and organizations for sustainable development of the handloom industry[^1]. These agencies are involved in numerous programmes for the purpose.

a) Employment generation programmes

b) Modernization and upgradation of technology

c) Input support

d) Marketing support

e) Publicity

f) Infrastructural support

g) Welfare Measures

[^1]: [http://texmin.nic.in/annualrep/ar00_c05.htm](http://texmin.nic.in/annualrep/ar00_c05.htm)
h) Composite growth oriented package
i) Development of Exportable Products
j) Research & Development

All the schemes are weaver oriented. The objectives are to enhance productivity, income and socio-economic status of weavers by upgrading their skills and providing essential inputs. Details of a few programmes are given below.

1. **Input Support**

   Handloom sector is largely dependent on the organized mill sector for supply of its principal raw material, yarn. The bulk of yarn is used in the form of hanks. To ensure regular supply of yarn to the handloom sector at reasonable prices, following schemes are in progress.

   a) Hank Yarn Obligation Scheme

   b) Loan Assistance to the National Cooperative Development Corporation (NCDC) - The objective of the loan assistance scheme is to provide loans for setting up of new / expansion / modernization of Weaver's Cooperative Spinning Mills.

2. **Mill Gate Price Scheme**

   The scheme was introduced in the year 1992-93 with an objective to supply yarn at Mill Gate Price to the handloom weavers through National Handloom Development Corporation (NHDC). Under the scheme, till the year 1994-95 the rate of reimbursement to the NHDC was at 2% of the value of the yarn supplied, which has been enhanced from 1995-96 at 3.5% and from 1997-98 onward at 4%.
3. Training to Handloom Personnel

Training in modern management techniques of production, marketing, accounting cost analysis, etc. is an essential input in the handloom development program. There is also a need for personnel to be trained in design development and market trends. Various training programmes to increase the knowhow of handloom personnel at different levels through are in progress. Various training institutes are active in this regard. Some of them are:

- National Council for Cooperative Training (NCCT)
- National Handloom Development Corporation (NHDC)
- National Cooperative Union of India (NCUI)
- Petrofil Cooperative Ltd. etc.

During 1998-99, Rs. 35.08 lakhs and during 1999-2000 (upto Dec., 99) Rs. 27.12 lakhs has been released to these institutions.\(^\text{12}\)

4. Weavers' Service Centres/Indian Institutes of Handloom Technology

Weaver's Service Centres and Indian Institutes of Handloom Technology constitute Research and Development Wings for handlooms. Twenty four Weavers’ Service Centres and four Indian Institutes of Handloom Technology have considerably strengthened the handloom industry by providing technically trained manpower, development of new designs, improvement in weaving and processing techniques, upgradation of skill etc. The Decentralized Training Programme was introduced in 1987 with an objective to generate gainful employment by upgrading the skills to enhance the productivity and income of weavers. Under this programme, assistance is provided towards the cost of material, looms, accessories, equipment, and stipend to the trainees and honorarium to the Master Trainer. The implementation of the Scheme is made through the Weavers’ Service Centre in Coordination with the State Government.

\(^\text{12}\) Ibid.
5. **Scheme for Handloom Export Development**

In order to give substantial 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 was introduced during 1996-97. Under this scheme, the assistance is available for developing exportable products, building up of production capability for export and thereafter for marketing it.

6. **Project Package Scheme**

Project package scheme was introduced in 1991-92. This scheme aims to provide necessary support in a comprehensive manner to mitigate the pre / on / post loom problems of the handloom weavers. Besides the weavers in general, those belonging to the Scheduled Castes / Scheduled Tribes / Minorities / Women / People below poverty line are given special attention under the Scheme.

7. **Handloom Development Centers / Quality Dyeing Units Scheme (HDC/QDU)**

The scheme of Handloom Development Centres (HDC) and Quality Dyeing Units (QDU) is under implementation since the year 1993-94. It was envisaged to set up 3000 Handloom development centres and 500 quality dyeing units under this scheme. The aim of setting up of HDCs and QDUs was to make necessary arrangements for procurement of hank yarn, preparing production plans keeping in view the market demand and setup marketing outlets. During the year 1997-98, 260 HDCs and 78 QDUs were sanctioned to various State Governments involving central grant assistance to the tune of Rs. 9.69 crores\(^\text{13}\).  

\(^{13}\) [http://texmin.nic.in/annualrep/ar00_c05.htm](http://texmin.nic.in/annualrep/ar00_c05.htm)
Welfare Package Schemes

8. Group Insurance Scheme

Group Insurance Scheme for Handloom Weavers was started in 1992-93. The objective of this scheme is to help the weaver to meet his socio-economic obligation towards his family and to act as a support system against the uncertainty of his working capacity in old age. Under the scheme a weaver is provided an insurance coverage of Rs. 10,000 for an annual premium at Rs. 120\(^\text{14}\). The premium is shared equally among the beneficiary, Central Government and State Government.

9. Research & Development / Market Surveys and Studies

The main objective of these projects are to assist weavers through the supply of input support, marketing of their products etc. to improve their living and working conditions. Some projects have been sanctioned to reputed research institutes to elicit a feedback on economic, social, aesthetic, technical and promotional aspects of the handloom sector.

10. Market Development Assistance Scheme

This scheme was introduced in 1989-90. The Market Development Assistance to the state organizations is shared equally by the respective State Governments and Central Government, whereas the assistance to the National Handloom Organizations is borne entirely by the Central Government. The more emphasis in this scheme is more on strengthening the infrastructural base while less towards rebate/discount.

11. All India Handloom Fabrics Marketing Cooperative Society

The All India Handloom Fabrics Marketing Cooperative Society Ltd. is a national level cooperative society. The procurement of handloom products

\(^{14}\) Ibid.
from all over the country and the promotion and marketing of handloom fabrics, both within the country and abroad are its main activities. Towards these objectives, the Fabrics Society has set up 25 retail outlets. The Society has its Export Houses at New Delhi, Salem and Chennai. Also, the Society has showrooms at Singapore and Mauritius for giving an impetus to marketing of Indian handlooms in foreign markets.

5.5 Provisions for Handloom Sector in Eleventh Five Year Plan: Village and Small Industries

The Projected Eleventh Plan Outlay for Village and Small Industries is Rs. 4900 Lakhs. The Approved Revised outlay during 2007-2008 is Rs.415 Lakhs which was fully utilized. During 2008-09 the approved outlay for this sector is Rs. 425 Lakhs and it is anticipated that the entire amount will be spent. The proposed outlay for 2009-10 is Rs. 550 Lakhs.

The Approved Tenth Plan outlay for Village and Small Industries Sector was Rs.2000 lakhs and the total actual expenditure during the Tenth Plan (2002-2007) was Rs.1342.28 Lakhs. During the 10th Plan period about 1584 of Small Scale Industries have been registered in various parts of the State with an investment of Rs. 3543.28 lakhs which had created an employment opportunities for 7825 numbers of entrepreneurs.

5.6 Handloom Weaving Industry

The proposed programme for Handloom Weaving Industry is to intensify and step-up production of quality handloom fabrics. The production is also sought to increase by introducing and supplying modern improved looms/accessories to weavers which would result in the increased production of Handloom Fabrics from the present level of 108 lakhs sq.mtrs in 2008-09 to 128 lakh sq. mtrs during 2009-10.

5.7 Training Programme

Under Sericulture Sector, it is proposed to continue imparting training on the know-how of sericulture technique in raising of plantation, rearing of silkworm, production of cocoons etc in the various Departmental centres, and also to organise and identify the new sericultural farmers of Eri, Muga and Mulberry for enhancement of Silk production in the State. The training to number of beneficiaries will be enhanced from 1517 in 2008-09 to 2038 during 2009-10\(^\text{16}\). Under Handloom sector, training on the know-how of weaving practices for the progressive weavers and handloom entrepreneurs will be continued. Besides, emphasis will also be given on Handloom Research activities including development of design products and colour developments and diversifying products by way of engaging weavers working on improved looms on dyeing of yarn.

The training of number of silk weavers enhanced from 550 during 2008-09 to 590 in 2009-10.

**Table 5.1**

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Source: http://www.planningcommission.gov.in/plans/planrel/11thf.htm

\(^{16}\) http://www.planningcommission.gov.in/plans/planrel/11thf.htm
5.8 Centrally Sponsored Schemes

Under Catalytic Development Scheme of the Central Silk Board, it is proposed to take full advantage of the Scheme and an amount of Rs. 263.96 lakhs is proposed.

Under Handloom Sector, it is also proposed to implement in the State a Scheme on “Integrated Handloom Development Scheme” for which an amount of Rs. 42.02 is proposed.\(^\text{17}\)

Table 5.2

The Projected Outlays for the Eleventh Plan, Approved Outlay for the Annual Plan 2008-09 & Proposed Outlay for the Annual Plan 2009-10

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BRIEF NOTE ON THE SCHEMES BEING IMPLEMENTED DURING 2009-10

Central sector / Centrally Sponsored Schemes

1) 10% Rebate on sale of Handloom products - KHDC

Budget: Rs. 180.00 lakhs. Out of this, the Central share is Rs.180 lakhs and State share is nil. Government of India provided 10% rebate on sale of handloom products by Karnataka Handloom Development Corporation Ltd., during 135 designated days of a year.

2) **10% Rebate on sale of Handloom products -Co-operatives**

Budget: Rs.150.00 lakhs. Out of this, Central share is Rs.180.00 lakhs and State share is nil. Government of India provided 10% rebate on sale of handloom products by Primary Weavers Co-operative Societies and Cauvery Handlooms during 135 designated days of a year.\(^{18}\)

3) **Integrated Handloom Development Scheme (DDHPY) –KHDC**

Budget: Rs. 140.00 lakhs. Out of this Central share is Rs.70.00 lakhs and State share is Rs. 70.00 lakhs.

4) **Integrated Handloom Development Scheme (DDHPY)–Co-operatives**

Budget: Rs.680.00 lakhs. Out of this Central share is Rs.600.00 lakhs and State share is Rs.80.00 lakhs. This is a Centrally Sponsored scheme formulated during XI Plan by merging the essential components of Deen Dayal Hathkarga Prothsahan Yojana, Integrated Handloom Training Project, Workshed cum Housing Scheme and Integrated Handloom Clustur Development Scheme implemented during X Plan.

**Objectives of the Scheme are**

To focus on formation of handloom weavers’ groups as a visible production group in a selected handloom clusters.

- To assist the handloom Weavers Groups for becoming self-sustainable.

\(^{18}\) [http://www.textiles.kar.nic.in/Centrl&SponsrdScheme.htm](http://www.textiles.kar.nic.in/Centrl&SponsrdScheme.htm)
• An inclusive approach to cover weavers both within and outside the Co-operative fold.
• To up-grade the skills of handloom weavers/workers to produce diversified products with improved quality to meet the market requirements.
• To provide suitable work place to weavers to enable them to product quality products with improved productivity.
• Market orientation by associating entrepreneurs, designers and professionals for marketing, designing and managing the production.
• To facilitate process of credit from financial institutions / banks.
• To encourage Co-operativization of weavers.
• Holistic and flexible interventions to provide need based inputs specific to each cluster / group.

5) **Group Insurance Scheme (Mahathma Gandhi Bunkar Bima Yojana)**

Budget: Rs. 14.00 lakhs. Out of this Central share is Nil and State share is Rs.14.00 lakhs. This is a Group Insurance Scheme for handloom weavers being implemented through LIC of India. All handloom weavers (K.H.D.C., Co-ops. and unorganized) between 18 to 59 years of age are eligible to be covered under the scheme.

Premium Details: Annual premium contribution total Rs.330. Out of this beneficiary contributes Rs.40, Government of Karnataka Rs.40, Government of India Rs.150 and Life Insurance Corporation Rs.100\(^{19}\).

Benefits from 1-10-2007: For Natural death Rs. 60,000, Accidental death Rs.1,50,000, Total Disability Rs.1,50,000 and for Partial Disability Rs.75,000.

\(^{19}\) Ibid.
To assist the handloom weavers 50% of their annual premium contribution i.e., Rs.40 per weaver beneficiary is being given by the State Government.

Additional Benefits

The "Mahatma Gandhi Bunker Bima Yojana" also provides scholarship to the children of parents who are covered under "Shiksha Sahyog Yojana". A scholarship of Rs. 300 per quarter per child is to be paid to students studying in standard IX to XII for a maximum period of four years or till they complete XII standard, whichever event occurs earlier. The scholarship is given for academic year June to May.

The benefit is restricted to two children of the member covered. Both the children are covered for scholarship. If a student fails and is detained in the same standard, he is not be eligible for scholarship for the next year in the same standard.

6) Health Insurance Scheme

Budget: Rs.45.00 lakhs. Out of this Central share is Nil and State share is Rs.45.00 lakhs. Health Insurance Scheme for handloom weavers is being implemented through ICICI Lombard General Insurance Co.Ltd. The scheme enables the weaver community access to the best of health care facility. The scheme covers weaver, spouse and two children. It covers all pre-existing diseases as well as new diseases and keeping substantial provision for out patient department.

Scheme details: Total premium per family is Rs. 781.60. Out of this Government of India contribution is Rs. 642.47, Government of Karnataka contribution is Rs.89.13 and the weaver should contribute Rs.50.00.²⁰

²⁰ http://www.textiles.kar.nic.in/Centrl&SponsrdScheme.htm
Benefits

1. Pay / reimburse expenses incurred by the weavers in course of medical treatment.

2. Annual limit per family (1+3) is Rs.15000.

To assist the handloom weavers, Rs. 89.13 out of Rs.139.13 annual premium contribution per weaver family is being given by the State Government.

Table 5.3
Health Insurance Scheme Sub limits per family (in Rupees)

<table>
<thead>
<tr>
<th>Category</th>
<th>Sub limit (in Rupees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maternity benefits (per child for the first two)</td>
<td>2500</td>
</tr>
<tr>
<td>Dental treatment</td>
<td>250</td>
</tr>
<tr>
<td>Eye treatment</td>
<td>75</td>
</tr>
<tr>
<td>Spectacles</td>
<td>250</td>
</tr>
<tr>
<td>Domiciliary hospitalization</td>
<td>4000</td>
</tr>
<tr>
<td>Ayur / Unani / Homeo / Sidda</td>
<td>4000</td>
</tr>
<tr>
<td>Baby coverage</td>
<td>500</td>
</tr>
<tr>
<td>OPD</td>
<td>7500</td>
</tr>
<tr>
<td>Pre-existing/New diseases</td>
<td>15000</td>
</tr>
<tr>
<td>Pre &amp; post hospitalisation</td>
<td>15000</td>
</tr>
<tr>
<td>Limit per illness</td>
<td>7500</td>
</tr>
</tbody>
</table>

Source: http://www.textiles.kar.nic.in/Centrl&SponsrdScheme.htm

5.9 State Sector Schemes

7) Assistance to Handloom Co-operatives: Budget: Rs.55.00 lakhs. Under this scheme assistance will be provided for the development of Handloom Co-operatives, Weavers and Institutions. This year the following sub-schemes are being implemented.
I. Nekarara Kalyana Yojana: Rs.22.00 lakhs

Under the scheme the assistance is provided to the weavers / children of weavers for the following components:

(i) Health Scheme:

- Reimbursement of the medical expenditure for treatment of Cancer (maximum limit Rs.50,000/-) and financial assistance of Rs.500 per annum during the treatment Period.
- Reimbursement of the medical expenditure for treatment of Heart operation and transplantation of Kidney (maximum limit Rs.50,000/-) and financial assistance of Rs.500/- per annum during the treatment period.
- Financial assistance to mentally retarded and leprosy patients (Rs.500/- per annum).
- Rs.1000/- is paid to the family members for cremation of the deceased weaver.

(ii) Education Scheme:

Scholarships are provided as under to the weavers children studying after SSLC:
Table 5.5

Educational Scholarships to the Weavers’ Children

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Education</th>
<th>Scholarship per annum towards fees</th>
<th>Towards purchase of books</th>
<th>Additional stipend to distinction holders (70% and above)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>PUC and Diploma courses</td>
<td>500</td>
<td>250</td>
<td>500</td>
</tr>
<tr>
<td>2</td>
<td>ITI</td>
<td>-</td>
<td>250</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>Science degree</td>
<td>750</td>
<td>750</td>
<td>1000</td>
</tr>
<tr>
<td>4</td>
<td>Other degree courses B.A./B.Com)</td>
<td>500</td>
<td>500</td>
<td>400</td>
</tr>
<tr>
<td>5</td>
<td>Professional courses</td>
<td>2000</td>
<td>1500</td>
<td>1500</td>
</tr>
</tbody>
</table>

Source: http://www.textiles.kar.nic.in/StateSectorScheme.htm

II. New Designs and Trends: Rs.3.00 lakhs

Under this scheme assistance is provided to the Primary societies for adoption and implementation of latest designs as per the market trends and demands. Practical training is imparted to the weavers of the Primary societies in the Weavers Service Centre, Indian Institute of Handloom Technology, Salem, Varanasi and Venkatagiri. During the training period weavers are provided with stipend, accommodation and traveling allowance. Study tours are also organized to the weavers under the scheme.

III. Training for Handloom Weavers: Rs.2.00 lakhs

This scheme contemplates to impart advanced training and skills in handloom technology. State Government is sponsoring 18 candidates to the Indian Institute of Handloom Technology, Salem and 3 candidates to Venkatagiri Institute every year to undergo the course for a period of 3 years. Under the scheme, stipend is paid to the students who are deputed to the above Handloom Institutes and also allowances for other inputs like books, project allowance, etc., are paid to them.
IV. State Award to Weavers: Rs.5.00 lakhs

V. State Level Exhibition: Rs.15.00 lakhs

Assistance to Weavers/ Weavers Co-operative Societies to participate in National/State level Exhibitions and to organize State level Exhibitions.

8) Marketing of Handloom Product (20% Rebate on sale of Handloom Products) – Co-operatives.

Budget: Rs.275.00 lakhs. A rebate of 20% is provided under the scheme on the sale of Handloom products by Primary Handloom Weavers Co-operative Societies and Cauvery Handlooms during the designated 135 days of the year.

9) Thrift Fund Scheme for Handloom Weavers:

Budget: Rs.10.00 lakhs. The original CSS scheme encourages the weavers to cultivate the habit of savings. Under the scheme 8% of the wages earned by the weavers are collected as subscription to the fund. Up to 2006-07 an equal matching contribution of 4% each from Central and State Governments are remitted to the fund. The scheme is operated through the Treasury. The State Government provides 12% interest on the total contribution. Since the scheme has been discontinued by the GOI during XI Plan, it is proposed to continue the scheme under State Sector with modification. Under the modified structure of the scheme, State Government contribution is equal to the subscription of the weaver ie, 8% of the wages earned by the weavers.

The beneficiary can draw advances to meet expenses in connection with marriage, house construction, medical expenses and education for children.
The final amount becomes payable, along with interest, after completion of 15 years as subscriber to the fund (or) on his/her becoming totally incapacitated to work due to old age (or) after attaining the age of 60 years.

10) **Distribution of Saree, Dhothi to Weaker Sections**

Total Budget: Rs. 200.00 Lakhs. The State Government has introduced the scheme with the twin objective of providing continuous employment to the weavers of KHDC and to provide basic clothing to the weaker sections at affordable prices. Sarees, Dhothies produced under the Scheme by Karnataka Handloom Development Corporation are distributed to the weaker sections in rural areas and urban slums through Public distribution system.

11) **Weavers Special Package**

Total Budget: Rs.3004.00 lakhs\(^{22}\)

(a) Other expenditure: Rs.2454.65 lakhs

The State Government, after examining the problems faced by the weavers, had announced the Weavers Special Package which included several benefits to the weavers during 2003-04. During the year 2004-05, following schemes under Weavers Special Package are being implemented. The major components of the scheme are as follows:

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\(^{22}\) [http://www.textiles.kar.nic.in/StateSectorScheme.htm](http://www.textiles.kar.nic.in/StateSectorScheme.htm)
Table 5.6

Budget Provision for Special Package Components

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Components</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Power tariff subsidy to power loom units with power connection upto 20 HP (including preloom facilities)</td>
<td>1788.2</td>
</tr>
<tr>
<td>2</td>
<td>Recurring expenditure to KHTI, Gadag and AHTI, Jamakhandi</td>
<td>30</td>
</tr>
<tr>
<td>3</td>
<td>Interest subsidy to Co-op. and Urban Co-op. banks providing loans to weavers @ 3% interest.</td>
<td>80</td>
</tr>
<tr>
<td>4</td>
<td>Interest on Thrift Fund Scheme</td>
<td>100</td>
</tr>
<tr>
<td>5</td>
<td>Assistance to powerloom units for availing power from express feeder.</td>
<td>7.5</td>
</tr>
<tr>
<td>6</td>
<td>Assistance to KHTI, Gadag for infrastructure development.</td>
<td>43</td>
</tr>
<tr>
<td>7</td>
<td>2007-08 loan weavers scheme - pending cases</td>
<td>401</td>
</tr>
<tr>
<td>8</td>
<td>Revaluation of power subsidy.</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>2454.7</strong></td>
</tr>
</tbody>
</table>

Source: [http://www.textiles.kar.nic.in/StateSectorScheme.htm](http://www.textiles.kar.nic.in/StateSectorScheme.htm)

(b) i) Special Component Plan : Rs. 533.50 lakhs

ii) Special Component Plan - Pooled: Rs. 200.00 lakhs

(c) Tribal Sub Plan: Rs. 215.85 lakhs

Special Component Plan and Tribal Sub Plan schemes will be implemented as per action plan approved vide GO No. VaKai 54 JKaiYo 2007 dated 7-8-2007.

Special Component Project also includes various components like basic training programme, working capital for supply of raw materials, supply of looms and accessories to trained beneficiaries, assistance for construction of work shed and toilets, living-cum-workshed, Subsidy for Solar lighting etc. Tribal Sub plan includes some components like basic establishment of common
weaving centre, Installation of loom and accessories in Common Facility centre, supply of looms and accessories to trained beneficiaries etc.,

Table 5.7

Components of special and tribal subplan schemes

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Component</th>
<th>SCP</th>
<th>TSP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Phy</td>
<td>Fin</td>
</tr>
<tr>
<td>1</td>
<td>Common facility centre</td>
<td>12</td>
<td>96</td>
</tr>
<tr>
<td>2</td>
<td>Workshed</td>
<td>51</td>
<td>12.75</td>
</tr>
<tr>
<td>3</td>
<td>Looms &amp; Accessories</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Handloom</td>
<td>200</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>Powerlooms-Ordinary</td>
<td>30</td>
<td>20.25</td>
</tr>
<tr>
<td></td>
<td>Semi Automatic Looms</td>
<td>20</td>
<td>25.2</td>
</tr>
<tr>
<td></td>
<td>Automatic Looms</td>
<td>10</td>
<td>22.5</td>
</tr>
<tr>
<td>4</td>
<td>a) Working Capital - Handlooms</td>
<td>200</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>b) Working Capital - Powerlooms</td>
<td>100</td>
<td>40</td>
</tr>
<tr>
<td>5</td>
<td>Share Capital to PWCS</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>6</td>
<td>New Member Share</td>
<td>600</td>
<td>3</td>
</tr>
<tr>
<td>7</td>
<td>Marketing Promotional Scheme</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>8</td>
<td>Preloom Facilities</td>
<td>3</td>
<td>12.8</td>
</tr>
<tr>
<td>9</td>
<td>Tour programmes</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1243</td>
<td>333.5</td>
</tr>
</tbody>
</table>

Source: http://www.textiles.kar.nic.in/StateSectorScheme.htm

5.10 Suvarna Vastra Neethi (New Textile Policy) 2008-13


The Textile and Garment Industry to be covered under this policy include all units, which are engaged in various value chain activities of the industry such as Spinning, Weaving (Power loom and Handloom) including
pre-loom activities, Knitting, Processing, Garmenting, Embroidery, units engaged in manufacturing, Technical, textiles, and all other supporting ancillary activities including Textile machinery manufacturing\textsuperscript{23}.

**Employment Generation in Garment / Textile Sector:**

Total Budget: Rs. 4000.00 lakhs\textsuperscript{24}

(a) Other Expenditure: Rs. 2765.50 lakhs

(b) Special Component Plan: Rs. 879.00 lakhs

(c) Tribal Sub Plan: Rs. 355.50 lakhs

**Targets:**

- Period of the Policy - 5 years (2008-13)
- Employment generation – 5 lakhs
- State funding – Rs.500 crores
- Investment attraction – about Rs.10000 crores

**Incentives offered in the Policy**

- Capital investment subsidy – Max. Rs.25 lakhs
- Entry Tax – Full reimbursement
- Stamp Duty – Full reimbursement
- Power subsidy – Rs.1.00 per unit
- Common infrastructure development for Textile Parks – Max. Rs.1200 lakhs
- Subsidy for Land/Shed allotted through KIADB/KSSIDC – Max. Rs.25 lakhs
- Subsidy for establishment of CETP – Max. Rs.500 lakhs

\textsuperscript{23} http://www.textiles.kar.nic.in/SUVARNA%20VASTRA%20NEETHI-2008-13.pdf
\textsuperscript{24} http://www.textiles.kar.nic.in/StateSectorScheme.htm
- Market development and branding subsidy – Max. Rs.50 lakhs
- Subsidy for development of new Designs and Products – Max. Rs.25 lakhs
- Assistance for Standards and Compliances – Max. Rs.2 lakhs
- Strengthening of existing Training centers – Max. Rs.100 lakhs
- Establishment of new Skill Development Centers – Max. Rs.150 lakhs
- Mega projects – Special incentives

**Implementation Methodology**

- Zoning of Taluks – Zone-1, Zone-2 and Zone-3
- Various Incentives for attracting investment
- Higher incentives for backward taluks
- Special thrust on Skill development
- Special assistance for development of existing Training centers and establishment of new Skill Development Centers
- Strengthening of Single Window mechanism for speedy clearance of Textile projects

### 5.11 NEW SCHEMES

1. **Living-cum-workshed:**

   Total Budget: Rs. 1500.00 lakhs

   (a) Other Expenditure: Rs. 1060.39 lakhs
   
   (b) Special Component Plan: Rs. 313.21 lakhs
   
   (c) Tribal Sub Plan: Rs. 126.40 lakhs

**Table 5.8**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Component</th>
<th>SCP</th>
<th>TSP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Phy</td>
<td>Fin</td>
</tr>
<tr>
<td>1</td>
<td>Living cum workshed</td>
<td>522</td>
<td>313.2</td>
</tr>
</tbody>
</table>

Source: [http://www.textiles.kar.nic.in/NewScheme.htm](http://www.textiles.kar.nic.in/NewScheme.htm)

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25 Ibid
2. Cloth Processing Project
Total Budget: Rs. 100.00 lakhs

Table 5.9
Scheme wise programmes sanctioned for implementation under SCP and TSP

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Schemes</th>
<th>Special Component Plan</th>
<th>Tribal Sub Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Financial</td>
<td>Physical</td>
</tr>
<tr>
<td>1</td>
<td>Weavers special package</td>
<td>333.5</td>
<td>1243</td>
</tr>
<tr>
<td>2</td>
<td>Weavers special package (KHDC)</td>
<td>123.2</td>
<td>659</td>
</tr>
<tr>
<td>3</td>
<td>SuvrinaVastra Neeti</td>
<td>879</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Living-Cum- Workshed</td>
<td>313.21</td>
<td>522</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1648.91</td>
<td>747.55</td>
</tr>
</tbody>
</table>

Source:http://www.textiles.kar.nic.in/NewScheme.htm

5.12 Conclusion

All the schemes are weaver oriented. Concerted efforts are being made through the schemes and programme to enhance productivity, income and socio-economic status of weavers by upgrading their skills and providing essential inputs. Most of the welfare schemes are benefiting only those weavers who are in the co-operative sector and not benefiting those who are outside the co-operative sector.

The survival of such a vast and traditional unorganized sector, handloom, is not possible without state support. Extension of support is the constitutional obligation of the state.