

Frequently Asked Questions(FAQs) on powerloom sector

1. Q: What are the schemes / incentives available for setting up of a small scale powerloom units from Government of India?

Ans : There are three Schemes implementing by Government of India under Technology Upgradation Fund Scheme(TUFS) which are as under :-

- i) 5% Interest subsidy Scheme under Technology Upgradation Fund Scheme for any textile unit including powerloom unit.
- ii) 15% Credit Linked Capital Subsidy under TUFS for any textile unit including Power Loom unit in the SSI sector..
- iii) Margin Money Scheme @ 20% TUFS for exclusive small scale powerloom units

A Powerloom unit can opt either of the above Schemes.

2. Q: Whether taking a term loan from a Schedule Bank is mandatory for availing incentives under TUFS?

Ans : Yes. Taking a term loan from a Schedule Bank identified by the Nodal Agency is mandatory for availing any incentives under TUFS.

3. Q: Whether Plain looms are eligible for availing subsidy under TUFS?

Ans : No. Plain looms are not eligible under TUFS. Only TUF compatible machinery as identified / notified in TUF Guide Book by Government of India.

4. Q: What is the promoter's contribution expected?

Ans : A minimum 15% of contribution from the entrepreneur is expected.

5. Q: How to select a product and a particular loom for manufacturing for a particular product?

Ans : In this regard, they can contact nearest Powerloom Service Centre, Textile Research Association, Office of the Textile Committee or Textile Commissioner or a Technical Consultant, who is expert in Textiles.

6. Q: Are there any guide books available for the guidance of the Powerloom weavers / entrepreneurs?

Ans : Yes. Some of the guide books available such as a book on TUFSS, Statistics of Textile Industry & Hand book on Powerloom Industry, which are available for sale at the Office of the Textiles Committee / Powerloom Development & Export Promotion Council.

7. Q: What is the procedure for availing subsidy under MMS at 20% TUFSS?

Ans : The concerned owner of Powerloom / entrepreneur, at first has to prepare a project report and approach a Schedule Bank for term loan. Upon sanctioning of term loan, they should take steps for purchasing the machinery and commissioning of the same. Subsequently, they have to approach Office of the Textile Commissioner claiming for subsidy with all proof of documents

8. Q: What are the documents required for claiming MMS at 20% TUFSS?

Ans : Documents such as

- a) SSI registration,
- b) Documentary proof like Partnership Deed for Form of Partnership and MOU / MOA, if it is in case of Private Limited Company,
- c) C.A. Certificate on investment on plant & machinery, if it is an existing unit,
- d) A copy of lease deed, if the unit is situated in Other's plot

- e) Electric bill if there is more than one unit in the same location,
- f) Commercial Invoice,
- g) Proof of payment made to the imported machinery supplier such as Letter of Credit / payment receipt / swift message.
- h) C.E. Certificate if the machines are in second hand, imported, certifying the vintage of the machines.
- i) Bill of Entry
- j) Proof for enrollment of powerloom workers under Group Insurance Scheme.

9. Q: Whether second hand imported machinery is eligible under MMS@20% Scheme?

Ans : Yes, Second hand imported shuttleless loom of vintage upto 10 years and with residual life of 10 years is eligible

Modified Group Workshed Scheme(MGWS)

1. Q: Who are eligible under Group Workshed Scheme(GWS)?

Ans : A group of minimum 4 powerloom weavers constituting an Executive agency for implementing Group Workshed Scheme is eligible to avail the benefits.

2. Q: What are the benefits of the GWS and tell me the outline of the said Scheme?

Ans : Under the said scheme, 40% of the unit cost of construction subject to maximum of Rs.120/- per sq ft. will be given by the Government as subsidy for construction of Worksheds.

The maximum subsidy per beneficiary is restricted to Rs.12 lakh. Each group has to install minimum 24 Nos. wider width looms or 48 Nos. shuttleless / automatic looms. The unit should function for a minimum lock-in period of three years.

3. Q: What is the area en marked for modern looms under the said scheme?

Ans : The area for the modern looms is as under :-

- 1) Automatic loom – 200 sq ft.
- 2) Shuttleless loom – 400 sq ft.
- 3) Wider width Shuttleless loom – 600 sq ft.

Not more than 40% of the loomage area will be considered for weaving preparatory etc and including the area for common facilities like testing lab. Moreover, the beneficiary will not be eligible for any infrastructure benefits under any other scheme of MOT viz. Scheme for Integrated Textile Parks (SITP)

4) Revised Group Insurance Scheme for Powerloom workers

1. Q: Is there any welfare schemes available under Government of India and who are eligible for availing the said scheme?

Ans : Yes. There is a scheme called Group Insurance Scheme for powerloom workers and small powerloom weavers those having 4 looms and below.

2. Q: What is the premium amount to be paid by each beneficiary?

Ans : The total annual premium per beneficiary is Rs.330/-, which is shared by

Government of India apart from Social Security Fund of the Government of India as under :-

GOI contribution	- Rs.150/-
Weaver's contribution	- Rs. 80/-
Contribution from social security fund	- Rs.100/-
Total premium	- Rs.330/-

3. Q: What are the benefits to the weaver under the Group Insurance Scheme(GIS)?

Ans : During the working age of 18 – 59 years, in the event of natural death of a member, a sum assured of Rs.60,000/- will become payable to the nominee. On death or permanent disability due to accident a sum of Rs.1,50,000/- and partial disability due to accident, a sum of Rs.75,000/- will be paid to the nominee. The scheme is operational on yearly basis and premium paid will cover for one year. Moreover, there are additional benefits like educational grant of Rs.600/- per child per half year for two children of weaver's family, who are studying in class IX to XIIth Std. for maximum period of 4 years under Shiksha Sahayog Yojana.

4. Q: What are the conditions for eligibility?

Ans : The beneficiary should have been working in powerloom industry and the age should be between 18 – 59 years and must be below the poverty line or marginally higher than the below poverty line. In a family, only one of the member shall be eligible for coverage.

5) **Integrated Scheme for Powerloom Cluster Development**

1. Q: Is there any other scheme for Powerloom Cluster Development?

Ans : Yes. There is a scheme called Integrated Scheme for Powerloom Cluster Development. Under the said scheme, financial assistance is being provided to the implementing agencies for marketing, development i.e. organizing of exhibition and Buyer – Seller Meet.

6) **Seminar, Workshops**

1. Q: Is there any financial assistance available for conducting Seminars, Workshops / Publicity to create awareness on latest technology and products?

Ans : Yes. Financial assistance is being provided to designated institutions to disseminate new technology and creating awareness on the manufacturing of new products, new designs etc.

2. Q: Are there any facilities for training on the latest technology and up gradation of skills of powerloom weavers?

Ans : Yes. There are facilities for training under 44 Powerloom Service Centres which are functioning under Government of India for assisting the powerloom weavers for up gradation of their skills, design development and to adopt latest technology by them. Further, there are 17 CAD Centres functioning to assist the industry for design development.