

## INTEGRATED SCHEME FOR POWERLOOM SECTOR DEVELOPMENT

### 1. Background:

The powerloom industry has grown up from handloom sector traditionally with inherent technical know how passed on from forefather and is being continuing in many of the clusters. The 19.44 lakh looms in the decentralized powerloom sector are spread over 4.3 lakh units with an average holding of a little over 4 looms per unit. Thus, the sector largely comprises of very tiny units with a majority of loom holdings in the range of 1 to 8. Decentralized powerloom sector is consistently meeting out the need of the fabric required for garment sector for export as well as the domestic market. The share of the decentralized sector is 62% of the total fabric production in the country. In some of the clusters, manufacturing, product diversification, merchandising and marketing have been on sound footing while in some of the areas; it is very weak till date. However the growth of the powerloom sector in India have been by and large skewed, therefore, there is a need of inclusive growth to facilitate equal opportunity for the development of the sector.

To augment the domestic production and marketing as well as export by the powerloom weavers, there is a need of Integrated Scheme which can take care of such activities viz. Modernisation of Powerloom Sector, Exposure visits, Buyer seller meet, Cluster Development Activities, Periodic survey of the Powerloom sector, Development and upgradation of skills (HRD), which can directly benefit the powerloom weavers in a remunerative way as well as to put them on the trajectory of growth. Govt. of India has envisaged after deliberation with stakeholders of powerloom sector and the recommendation of working group for XI Plan to formulate an Integrated Development Scheme for the powerloom sector.

i) Objectives:

The main objectives of the Integrated Scheme are as follows:

- Modernisation of Powerloom Sector to achieve 12% growth per annum.
- To assist powerloom weavers, powerloom industry associations and other organizations for marketing their products through organising of exhibitions for the benefit of garment industry and organized sector or general public at regional and cluster level as well as while promoting awareness among the consumers about the latest designs, products and product diversification.
- To provide infrastructural support for marketing by having permanent outlets to eliminate the middlemen for direct marketing by the powerloom weavers.
- To empower powerloom industry and build their capacity to meet the challenges of the market and global competition in a sustainable and self reliant manner.

Scope of the Scheme:

The powerloom sector in the country is wide spread and every state is having a tiny to a very large cluster. As such, the products of different clusters are specific but they need to be diversified. Therefore, an aggressive modernisation and marketing strategy is to be further adopted during XI th Plan to cater to the need of garment sector and in view of the challenges of import of cheap fabrics. There are 25 major clusters in the country and there is a scope to project their products in different markets of consumer industry.

In order to provide opportunity to powerloom weavers to market their products at regional and cluster level, exhibitions will be held. In addition to that, different industry associations and other agencies can also organise buyer seller meet for promotion of powerloom fabric or any other product of the powerloom sector in a particular area.

Presently the scenario of powerloom sector is very skewed in the country. The powerloom weavers from the low level of technology are not exposed to other area of manufacturing to produce diversified textile products or value added fabrics due to limited knowledge etc. with a view to overcome such deficiencies the powerloom weavers are required to be exposed to the developed area of manufacturing.

Powerloom cluster development activities are an attempt to facilitate the sustainable development of Powerloom industry located in identified clusters in a holistic manner to wean out the weak cluster from producing the low-end value product at one hand and product innovation and other diversification on the other end. In order to make the holistic development of the powerloom cluster on the basis of their need, the technology induction can be further augmented to achieve a suitable level. Simultaneously, it is also envisaged to have the realistic future growth plan a base line as well as periodic powerloom surveys have to be conducted, by engaging NGOs or any other agencies through Regional Offices every two years.

To encompass all the need factors of powerloom sector, the Integrated Scheme for powerloom sector development comprising the following envisaged.

#### 1. MARKETING DEVELOPMENT PROGRAMME FOR POWERLOOM SECTOR.

Marketing Development Programme has a vital role in powerloom sector. Therefore, activities for promotion and marketing of powerloom products through different mechanism has to be placed for the implementation and monitoring. For that the following activities can be carried out singly or jointly by the implementing agency.

### 1.1 Organising of exhibition and buyer seller meet

In order to provide opportunity to powerloom weavers to market their products at regional and cluster level, exhibitions will be held. In addition to that, different industry associations and other agencies can also organize Buyer Seller meet for promotion of powerloom specific or fibre specific or any other product of the powerloom sector in that area.

### 1.2 Seminars / Workshops:

Technical seminars / workshops may be organised to discuss and disseminate the new technology and products for the benefit of exhibitors during the organisation of these exhibitions. Basic idea beyond seminar / workshop is to propagate new designs, modernisation of technology and measures to reduce cost of production and for this purpose, hiring of consultancy and other resource persons may be done.

### 1.3 Publicity and awareness programmes :

Publicity makes the inevitable part of marketing strategy and therefore, it will be a component of Marketing Development Programme. The purpose of this activity is to project India as the main fabric manufacturer as well as to attract different consumers for the powerloom products, for promotion of the interest of powerloom weavers / powerloom industry in a focused manner and to increase awareness within and outside of the different powerloom clusters about the product diversification, design and technology upgradation. The publicity and awareness will be part and parcel of such activities. The following activities can be undertaken for market promotion.

### 1.4 Film on Powerloom/ TUFS

In order to create awareness and understanding among public, about powerloom sector, various types of video clips and tele-films will be made based on a particular powerloom cluster. These tele-films and video clips can

be shown on television through doordarshan etc. or special programmes on any other media. The films on powerloom sector will highlight the technology advances and will be shown to the different powerloom clusters, where modernisation has not taken place. It will be a tool to document the success stories in powerloom sector under TUFS as well.

#### 1.5 Print publicity:

Publicity relating to powerlooms can be taken up by way of printing of pamphlets. Publicity material on various schemes implemented for the benefit of powerloom sector and probable market opportunity in the domestic and overseas market can also be taken up.

#### Implementation

- Exhibitions will be organized by powerloom industry / associations of a particular cluster at a place in India depending on their marketability. Regional Officers of the Textile Commissioner will also assist other implementing agencies for the selection of exhibition centres or place and will help in marketing activities.
- Local powerloom industry association / agencies shall submit a detailed project for organising the exhibitions under the scheme to Regional Offices of Textile Commissioner, who in turn will send his report to Textile Commissioner for approval of the project.
- Textile Commissioner will scrutinize the project in detail and give his approval within one month after the receipt from the Regional Office along with the release of 50% of the assistance in advance.
- After completion of exhibition, the implementing agency will be submitting the detailed vouchers / documents to Regional Office, who in turn will verify and submit the report for final release of the money to the local agency.

## Financial Assistance

The financial assistance for organising the exhibitions or buyer seller meet by the powerloom weavers, industry or other agencies will depend upon the area of such exhibition or buyer seller meets. For exhibitions, the assistance will be given for infrastructure support, stall rent and furnishing, electricity charges, publicity, back up services and administrative expenses. The level of assistance will be Rs.15 lakh, Rs.10 lakh and Rs.5 lakh for 5 days at Class A, Class B and Class C cities respectively or actuals, whichever is lower. Any expenditure above this limit would have to be borne by the beneficiary or implementing agency. 50% of the financial assistance would be given in advance and the balance will be given to the implementing agency after submission of claims supported by related documents as prescribed.

## Media Plan

A media plan for the schemes under Para 1.3, 1.4 and 1.5 will placed. In addition to the expenditure under the scheme Rs. 50.00 lakh annually will be kept under Textile Commissioner for the Media Plan.

## 2. EXPOSURE VISIT OF POWERLOOM WEAVERS TO OTHER CLUSTERS

The powerloom weavers from the low level of technology are not exposed to other area of manufacturing to produce diversified textile products or value added fabrics due to limited knowledge etc. with a view to overcome such deficiencies the powerloom weavers are required to be exposed to the developed area of manufacturing.

### 2.1 Eligibility

- The Powerloom weavers / entrepreneurs of having up to 12 shuttle looms who are intended to modernize their unit shall be eligible.
- Only one member from the family of powerloom weaving unit is eligible to avail the facility under the scheme.

- No weaver would be sponsored for two different regions. Only one exposure per weaver will be admissible.

## 2.2 Coverage

- A powerloom weaver can participate in exposure visit from lower level of technology area to higher technology area or any other area for product diversification in any of the cluster within the country. The number of such powerloom weavers may not exceed 1000 in a year.

## 2.3 Scale of assistance

- Govt. of India will bear the expenditure for the to & Fro from the place of the powerloom weaver to the place of visit.
- The travel assistance will be limited to the actual expenditure in traveling by 2nd class sleeper by railway and incidental expenditure up to Rs. 2000/- additionally per beneficiary.

## 2.4 Implementing agencies

- Regional Office of the Textile Commissioner falling under the jurisdiction of the cluster.
- Regional Office of the PDEXCIL and / or their authorized representatives like PCDC Convener etc.
- Cluster development agencies as approved by the Textile Commissioner.

## 2.5 Approval of visit / exposure

- All proposal for the exposure visit should have prior approval of Officer in-charge of the Regional Office of the Textile Commissioner indicating number of participants, area to be visited, technology to be covered, approximate expenditure to be incurred and the share of Govt. of India.

## 2.6 Release of assistance

- 50% of the total expenditure so approved by the competent authority will be paid in advance and 50% will be reimbursed after the successful completion of exposure visit as per the approved itinerary.

## 2.7 Other terms & conditions

- A batch should comprise not less than 20 powerloom weavers and entrepreneurs.
- Powerloom weavers should have been working for at least 5 years in the area and should be willing to install new looms and for others their credibility in investment should be proved to the satisfaction of competent authority.

## 3. SURVEY OF THE POWERLOOM SECTOR

A Joint Census of Handloom and powerloom sector was conducted by National council of Applied Economic Research (NCEAR) during 1995-96. Presently, the Powerloom Service Centres, set up all over the country are conducting the powerloom survey and submitting their monthly report in this regard. Since the database of the powerloom sector is not authentic, it becomes very difficult to plan the growth of the industry. It has therefore been felt that to have the realistic future growth plan a base line powerloom survey has to be conducted, by engaging NGOs through Regional Offices every two years.

## 4. POWERLOOM CLUSTER DEVELOPMENT

Powerloom cluster development activities are an attempt to facilitate the sustainable development of powerloom industry located in identified clusters in a holistic manner to wean out the weak cluster from producing the low-end value product at one hand and product innovation and other diversification on the other end.

#### 4.1 Definition of Cluster

In the context of powerloom sector, the powerloom cluster may be defined as a place where there is a more than 200 powerloom units or more than 2000 powerlooms located within the 50 km periphery and are producing fabrics.

#### 4.2 Selection of clusters

Selection of clusters will be on the basis of their size and products, production capacity to cater to large volume for either indigenous or overseas markets as well as resilience to survive in a fiercely competitive environment. The scheme will be implemented in the identified powerloom clusters spread all over the country and in the first phase, 15 clusters will be taken up which will be decided by the Textile Commissioner, Mumbai.

#### 4.3 Eligible components/ activities

Thus cluster development programme will address the requirements of the cluster in a coordinated and comprehensive manner. The components eligible for assistance under the scheme are as under:-

1. Assistance for engaging an professional agency to conduct diagnostic study of each identified cluster @ RS. 2.00 lakh per cluster.
2. Assistance for providing required training to the nominated Cluster Development Officer (CDO) in the reputed institution @ Rs. 40,000/- per CDO.
3. Assistance for organizing workshops, seminars, demonstration etc. @Rs. 75,000/- for three such programme per year per cluster.
4. Assistance for publicity (printing of brochures, catalogues, documentation of samples etc.) @ Rs. 25000/- per issue per quarter or actuals whichever is lower.
5. Honorarium for a year to the nominated CDO to conduct its activities in the cluster on need base @ Rs. 5000/- per CDO/ month.

Since cluster development activities would be implemented in phased manner, the estimated requirement of the fund would be Rs. 57.25 lakh per annum.

#### 4.4 Release of funds:-

Govt. of India will release the admissible assistance in installments. 50% of assistance will be released to Implementing agency on the approval of the project.

Balance 50% will be released by TXC after physical verification of the implementation of the scheme after

- i) Submission of physical progress under any scheme.
- ii) Implementation agency will share, if applicable.
- iii) Recommendation of local implementation/ governing body.
- iv) Submission of utilisation certificate under GFR.
- v) State Govt. may also share in these scheme in addition to the financial assistance from central Govt.

#### 4.5 Implementing Agency

The following agency/ agencies will be eligible to implement one or more sub-schemes (components) as per their project unless otherwise specified under the sub schemes.

- i) State Govt. Agencies.
- ii) Local Industry association/ Co-op societies of Powerloom/ Garment.
- iii) Regional office of the Textile Commissioner
- iv) Powerloom Service Centres (ITSCs)

Project will be scrutinized by Textile Commissioner based on the recommendation of the local Governing Body/ Regional Offices.

### 5. DEVELOPMENT AND UPGRADATION OF SKILLS (HRD)

Govt. of India has established 44 of Powerloom Service Centres (PSCs) since 1977 at various Powerloom cluster for promoting the development and

growth of decentralised powerloom sector. The services provided by these PSCs has been in the realm of training to weavers for improvement in the efficiency, skill and productivity, testing facilities, design development and consultation to local Powerloom industry. With the advent of globalised free-trade regime, and in view of the large requirement of manpower across the different textile sector, the service provided by the PSCs are insufficient and inadequate. Therefore not only the services by these centers are to be enlarged but few new fields of activity are also to be added to cater the need of increasing opportunities in the whole textile value chain.

### 5.1 Components

#### A. Integrated Textile Service Centre (ITSC)

To create facilities for quality testing, skilled manpower for weaving sector & garments sector, design development for weaving and entrepreneurship development, it has been proposed to set up a few more new PSCs on Public & Private partnership basis with assistance for capital cost of equipments borne by Central Government while operational responsibility will be with local Industry Association representing all sectors of textile sector in the cluster. Centres will cater to all sectors of Textile & Clothing as umbrella service provider in a phased manner. Central Govt. will provide up to Rs.100 lakh for creating a center to have facilities for weavers training, testing of fabrics and garment making or any need based textile services. The money so provided will be deposited in a bank account having joint account with Regional Office of the Textile Commissioner and can only be used for creating the infrastructure in the form of machinery & equipment. The industry association have to arrange for necessary land and building for this purposed where the new centers are to open. No recurring grant will be provided to local integrated center except a provision for working capital for 1st quarter of the starting year. All curriculum and training input will be standardized for the training of

weavers, jobbers, & entrepreneur with the approval of the Textile Commissioner. Clusters to be identified for new ITSC will be done by Regional Office of the Textile Commissioner before submission of such project proposal.

#### B. CAD Facility

Financial assistance to establish CAD centres for design development and training will be given to local bodies upto Rs. 25 lakh for one time assistance. This will be availed by local industry. This scheme will also be applied to the existing PSCs.

This includes assistance towards provision of designs & installation of computer aided design system to improve design quality and impart training to local powerloom weaver/entrepreneur. The implementing agency under the component would be required to diversify their product especially with a view to meet the changing market scenario within the country and abroad.

- ◆ Building for CAD centres will be arranged by Local Body if the CAD centre is not established in the building of ITSC.
- ◆ Operation will be managed by Local Body and it will organise the governing body meeting regularly.
- ◆ Governing body will have Govt. nominee or the representative of Regional Office of the Textile Commissioner.
- ◆ There will be a separate joint account and the same will be audited annually. .

#### C. Garment / Apparel making facilities

To create facilities for quality in developing, skilled manpower for garments sector, design development for garment designing and pattern making including entrepreneurship development.

Financial assistance up to Rs. 25 lakhs in the form of seed money to create institutional facilities for common services to the PP bodies including

local Textile Industry Association. Public & Private partnership models with assistance for capital cost of equipments borne by Central Government while operational responsibility will be with local Industry Association representing all sectors of textile sector in the cluster. The money so provided will be deposited in a bank account having joint account with Regional Office of the Textile Commissioner and can only be used for creating the infrastructure in the form of machinery & equipment. The industry association have to arrange for necessary land and building for this purposed where the new centers are to open. No recurring grant will be provided to local integrated center except a provision for working capital for 1st quarter of the starting year. Cluster to be identified for new facility will be done by Regional Office of the Textile Commissioner.

D. Development & up-gradation of skills – (Sourcing the expert for training)

In order to facilitate and augment the number of trainees, the manpower to train seems to be highly inadequate. All Govt. TRA run PSCs have to hire the external trainers. If there is no key resource person in the house, the assistance will be provided to compensate the additional financial liabilities, which will not be exceeding Rs. 2 lakh per annum per PSCs. This amount can be spent on hiring Qualified & experienced Technologist or Design Specialist or Garment Technologist.

- All approval of such demand will necessarily be approved by Textile Commissioner. A calendar in advance for the increase activities will be chalked out by Regional Office of the Textile Commissioner with local industry.
- However, training will be self sustained but in some cases this additional requirement may be compensated from this assistance.
- Utilisation certificate under GFR as per rules wherever applicable.

## 6. PROJECT APPROVAL COMMITTEE

All projects under Integrated Scheme for Powerloom Sector Development would be sanctioned by Project Approval Committee. The committee will comprise as follows:-

- |      |   |                    |
|------|---|--------------------|
| i.   | Textile Commissioner                        | - Chairman         |
| ii.  | Joint Secretary or Director MOT (Powerloom) | - Member           |
| iii. | Representatives of local industry           | - Member           |
| iv.  | Additional Textile Commissioner             | - Member Secretary |

## 7. MONITORING OF PROJECTS

Regional office of Textile Commissioner will supervise and implement all projects under the Integrated Development scheme and will send a monthly report to Powerloom Development Cell. Textile Commissioner periodically assesses the progress of the scheme and will send a quarterly return to Ministry of Textiles. .

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## ANNEXURE

### **Financial Requirement for Integrated Scheme for Powerloom Sector Development.**

#### **1. Market Assistance**

	PL Cluster	Market Centre	Investment per year	Govt. Share for 5 years
No. of Places	25	10	(In Cr)	(In Cr)
Total Programme per year	25	10	--	--
Expenditure per programme (Rs. in Cr)	0.10	0.25	5.00	<b>25.00</b>
Media Plan				<b>2.5</b>

#### **2. Exposure Visit**

	Target	Travel Expense @ Rs. worker	Incidental Charges @ Rs. worker	Expenditure per year (In Cr)	Govt. Share for 5 years (In Cr)
No. of Worker	5000	1000	1000	1.00	<b>5.00</b>

#### **3. Powerloom Survey and Powerloom Cluster Development**

Expenditure under different head for one cluster	(Rs. in lakh)	No. of Cluster	Annual Expenditure (Rs. in lakh)	Govt. Share for 5 years (In Cr)
Towards diagnostic study	2.00	25	50.00	0.50
Training of CDO	0.40	25	10.00	3.44
Organizing seminar / workshop etc.	0.75	25	18.75	
Publicity	1.00	25	25.00	
Incidental and Administrative expenses	0.60	25	15.00	
Survey of Powerloom				2.00
Total	4.75	25	118.75	5.94 <b>(Say Rs. 6.00 crores)</b>

#### **4. CAD Centres**

Expenditure to setup one CAD Centre	(Rs. in lakh)	No. of CAD Centres	Annual Expenditure (Rs. in lakh)	Govt. Share @ 25% for 5 years (In Cr)
Building	10	10	100	
Hardware & Software	20	10	200	
Furniture / Fixtures	05	10	50	
Total	35	10	350	4.50

**5. Development and upgradation of skills:****Rs. 50.00 crore****Summary of Financial Outlay**

<b>Sr. No.</b>	<b>Description</b>	<b>Total outlay (Rs. In crore)</b>
3	Market assistance	27.50
4	Exposure visit	5.00
5	Survey of Powerloom	2.00
6	Cluster Development	4.00
7	CAD centres	4.50
10	HRD	50.00
	<b>Total</b>	<b>93.00</b>