

DRAFT

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ON

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Planning Commission

VSE Division

The Indian handloom sector is known for its tradition of excellent craftsmanship. These skills are being passed on from generation to generation since ancient times as a rich heritage woven into fabric.

Since 1975, Office of Development Commissioner for Handlooms, a separate Directorate with sole responsibility for dealing with Handlooms, has been implementing various schemes pertaining to the sector. However, despite these efforts there has been a decline in the number of weavers in the last two decades and the sector is struggling with a number of issues. A complete overhaul of the existing schemes and approach to these issues has been recommended by the various expert groups and weaver societies. This paper lists and describes the different issues faced by this sector and analyses the need for a new Handloom Policy.

1. Textiles: Policy Framework and Handlooms

The Handloom Reservation Act, 1985 (**Annexure I**) originally reserved 22 articles to be produced only on handlooms and subsequently this was reduced to 11 articles in 1996. There have been issues in the enforcement of this Act as these articles are also being produced on the powerlooms as well as being imported. Concerns have also been raised about the sustainability of the approach of providing protection to these articles rather than branding the handloom products and technology and ensuring better returns to the weavers. The need for the overhaul of the Reservation Act has been recommended by the All India Handloom Board. The same need had been iterated by Steering Committee on Handlooms and Handicrafts constituted for the Twelfth Five Year Plan.¹

¹ Report of Steering Committee on Handlooms and Handicrafts constituted for the Twelfth Five Year Plan
(http://planningcommission.gov.in/aboutus/committee/strgrp12/str_handloom0305.pdf)

1.2 The Steering Committee on Handloom and Handicrafts has strongly recommended greater convergence between Handlooms, Handicrafts and Khadi & Village Industries. This unified approach is suggested to leverage the synergy between Handlooms, Handicrafts and Khadi & Village Industries to promote a single brand “*Handmade in India*”.

1.3 Handloom (Reservation and Articles for Production) Act, 1985 defines Handloom as “*any loom other than Powerloom*”. The Advisory Sub-Committee on Handloom Reservation Act, 1985 ², proposed a new definition as “*handloom means any loom, other than powerloom; and includes any hybrid loom on which at least one process for weaving requires manual intervention or human energy for production*”. The issue of amendment of definition was not supported by many handloom experts and civil society through various representations sent to the O/o DC Handlooms and Planning Commission. They felt that this change in definition of handloom would gradually eliminate the difference between handloom and powerloom, and the uniqueness of handloom products would therefore, be ultimately lost.

1.4 The intent of changing the definition was aimed to improve the ergonomics and efficiency of the looms. However, the handloom weavers felt that their sentiments were being hurt and their identity was being challenged. It was felt that this was a move to “allow encroachment of the powerloom sector” into Handlooms and hence they opposed the change. The Advisory Sub-Committee noted that the existing definition also does not bar carrying out improvements in looms to reduce drudgery and fatigue and, hence the old definition was retained without any change. The term “technological up-gradation” was used for the proposed changes instead of “mechanization”. The Press Note in this regard is placed at **Annexure-II**.

² Report of Advisory sub- committee on Handloom Reservation Act, 1985
(<http://texmin.nic.in/reports/Final%20report%20of%20sub-committee%2018.9.13.pdf>)

1.5 In view of the issues discussed above, there is an urgent need to review the existing Handloom Reservation Act. The current National Textile Policy (**Annexure-III**) provides support to existing government interventions but has few provisions to adapt to the changing needs of the sector and different weavers across the country. It is imperative to have a standalone policy covering a long-term vision and comprehensive strategy with an action plan to address the requirements of the sector as well as to safeguard the interests of vulnerable sections of the weaver’s community.

2. Overview of Handloom Sector:

2.1 The Handloom Sector is one of the largest unorganized economic activities after agriculture and constitutes an integral part of the rural and semi-rural livelihood. Handloom weaving is largely decentralized and the weavers are mainly from the vulnerable and weaker sections of society, who generally weave for their household requirements.

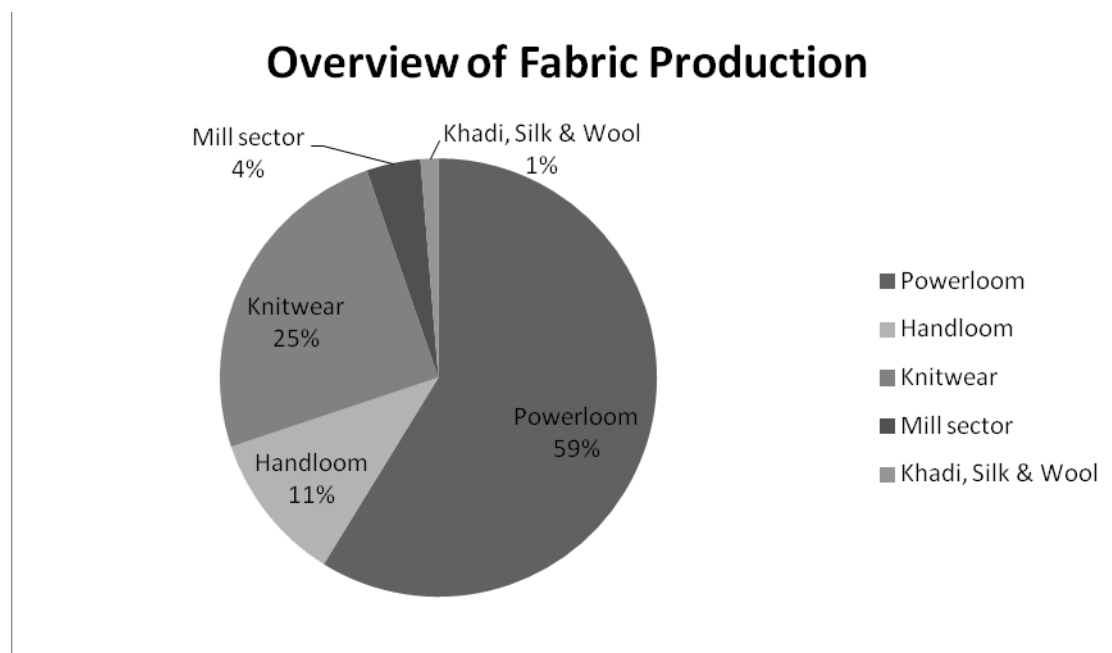


Table 1: Overview of Fabric Production (Source: Ministry of Textiles)

2.2 The handloom sector, being labour intensive, provides livelihood to 4.3 million weavers and ancillary workers. The industry has grown over decades owing to its inherent strengths like flexibility of production in small quantities, openness to innovation, low level of capital investment and immense design possibilities. Today, handlooms accounts for nearly 11% of fabric production in India and contributes Rs. 2812 crores to exports in 2012-13.

2.3 As mentioned earlier the Handloom (Reservation and Articles for Production) Act, 1985 defines Handloom as “**Any loom other than Powerloom**”. This Act was promulgated with a view to protect the interests of handloom weavers. Initially, 22 textile articles with certain technical specifications were reserved for exclusive production by handlooms. These number of items were reduced to 11 vide Reservation Order Notification No. S.O.556 (E) dated 26.7.1996 and further amendment thereto vide Notification S.O.2160 (E) dated 3.9.2008. The list and specifications of the 11 articles along with the Handlooms (Reservation of Article for Production) Act are placed at **Annexure IV**.

3. Handloom Census:

The third Handloom Census was undertaken in 2009-10 by National Council of Applied Economic Research (NCAER)³ for the Office of Development Commissioner (Handlooms) and reveals that as on 2009-10 more than 43 lakh persons are engaged in weaving and allied activities. This number was 65.5 lakh as per Second Handloom Census conducted during 1995-96. The state-wise number of handloom weavers and allied workers and number of handlooms are provided at **Annexure V**.

3.1 A comparative statement on important parameters with respect to census of 2009-10 and 1995-96 is as follows:

OVERVIEW OF HANDLOOM SECTOR			
S.No.	Details	Census of 2009-10	Census of 1995-96
1.	No. of weavers and allied workers	43.32 lakh	65.51 lakh
2.	No. of weavers households in NER	15.1 lakh	14.5 lakh
3.	No. of looms	23.77 lakh	34.87 lakh
4.	No. of looms in NER	15.50 lakh	18.23 lakh
5.	Women weavers (%)	77.90	60.60
6.	Man-days worked per weaver per annum	234 days	197 days
7.	Total man-days worked by weaver households during census year	5,313 lakh	4,977 lakh
8.	Share of full-time weavers to total weavers	64%	44%
9.	Share of weaver households reporting more than 60 per cent income from handlooms and related activities	35%	31%
10.	Share of idle looms	4%	10%

3.2 Important Highlights of Census conducted in 2009-10

- (i) The total weaver household units recorded a decline from the first (29.9 lakh weaver households), to the second (25.3 lakh weaver households) and the third (22.6 lakh weaver households) Handloom Census, indicating that the number of household in the sector has exhibited a declining trend over the last two decades. In contrast to the national trend, the North Eastern region (NER) recorded an increase in the number of such households from the first (14.6 lakh weaver households) to the third (15.1 lakh weaver households) census.
- (ii) Despite decrease in the number of weavers, the cloth production has increased from 3120 to 6930 mm metres because of increase in man-days per weaver.

³ Handloom census conducted by NCAER 2009-10.

- (iii) Nearly 27.83 lakh handloom households are engaged in weaving and allied activities, out of which 87 per cent are located in rural areas and remaining 13 per cent in urban areas.
- (iv) Nearly 47 per cent of handloom worker households own Below Poverty Line (BPL) ration cards, and 10 per cent households own other BPL cards or the Antodayas Anna Yojana (AAY) ration cards. Together, therefore, total BPL households account for 57 per cent of the total handloom households.
- (v) Most of the workers are female (77%) and the number of male workers (23%) is comparatively smaller.
- (vi) Nearly 33 per cent of the handloom worker households do not have looms and about 67 per cent of handloom households having looms own looms, which may or may not be owned by them.
- (vii) The average annual household income in 2009-10 was INR 36,498 for an average household size of 4.59 persons.
- (viii) Only 25% of the households report that their children are interested in taking up handlooms as profession.

4. Government Interventions in the Handloom Sector

In order to facilitate the handloom sector to achieve faster, inclusive and sustainable growth during the 12th plan, a Working Group was constituted for the Handloom Sector⁴. Major recommendations of the working group were included in Twelfth Five Year Plan. The important recommendations which have been implemented by the Ministry of Textiles include those relating to marketing, exports, Geographical Indication of Goods Act, consolidation of handloom clusters taken up in 10th & 11th Plan, enhancement of health insurance cover from Rs.15,000 to Rs.37,500/-, setting up of new Weavers Service Centres and Indian Institute of Handloom Technology, etc.

⁴Report of the Working Group on Handlooms for Twelfth Five Year Plan
(http://planningcommission.gov.in/aboutus/committee/wrkgrp12/wg_handloom1101.pdf)

It is also pertinent to note that certain important recommendations relating to loom improvement and better ergonomics, setting up of permanent marketing complex could not be implemented due to budgetary constraints.

4.2 The emphasis in the Twelfth Five Year Plan is on consolidation of past gains and strengthening of marketing systems. The other priority focus is on the welfare of the weaver in terms of providing better working conditions, access to credit and coverage under health / life insurance etc.

4.3 Handlooms have always been a sector of high importance in the policy framework of the Government of India. In 1975, Office of Development Commissioner for Handlooms⁵, a separate Directorate with sole responsibility for dealing with Handlooms, was established. The O/o DC Handlooms has the mandate to develop a strong, competitive and vibrant handloom sector to provide sustainable employment to the weavers. It now implements all the schemes pertaining to Handloom Sector and also enforces the Handloom Reservation Act, 1985.

4.4 Brief details of the schemes being implemented in Handloom Sector

1. National Handloom Development Programme

It is a Centrally Sponsored Scheme implemented through State Governments, which comprises the following components related to marketing, infrastructure development and credit availability:

- (i) *Comprehensive Handloom Development Scheme* (Integrated Handloom Development Scheme, Diversified Handloom Development Scheme and Marketing and Export Promotion Scheme)
 - Financial Assistance for Cluster Development Programme
 - Organisation of Exhibitions, Events and Craft Melas

⁵ <http://handlooms.nic.in/>

- Setting up of Urban Haats
 - Participation in International Fairs
 - Strengthening and setting up of Weavers Service Centres and Indian Institute of Handloom Technology
 - Skill upgradation of weavers
- (ii) *Revival, Reform and Restructuring Package (RRR)*
- One time waiver of overdue loans and interests of eligible handloom cooperative societies and individual weavers as on 31.3.2010.
 - Re-capitalisation of viable and potentially viable handloom cooperative societies
 - Provision of fresh subsidized credit to handloom cooperative societies and weavers covered by a waiver by providing interest subsidy of 3% for a period of 3 years for fresh loan with credit guarantee.

2. Yarn Supply Scheme

- To provide all types of yarn to the eligible handloom weavers at mill gate price. This scheme is been implemented through National Handloom Development Corporation and 788 yarn depots have been set up for this purpose.
- There is a Hank Yarn Packing Notification dated 31/03/2000 in force which makes it obligatory up on yarn producers to pack a fixed percentage of yarn produced for civil consumption to be packed in hank form⁶.

3. Handloom Weavers' Comprehensive Welfare Scheme

- (i) *Health Insurance Scheme (HIS)* :
- Annual medical cover is provided to family of 5 members of Rs.37,500/- (Rs.7500 for OPD and Rs.30,000 for in-patient treatment (IPT).
 - Target to cover 18 lakh families each year
- (ii) *Mahatma Gandhi Bunkar Bima Yojana (MGBBY)*:

- To provide life insurance to Handloom Weavers
- Rs.60,000 for natural death, Rs.1.5 lakh for accidental death and total disability and Rs.75,000 for partial disability.

Details showing the financial releases (in crores) during the 12th Plan period are given below:

S. No.	Scheme	2012-13	2013-14	BE 2014-15
1	National Handloom Development Programme			
(i)	Comprehensive Handloom Development Scheme	197.4	117.35	38.00
(ii)	Revival, Reform and Restructuring Package (RRR)	291.03	269.79	19.00
2	Handloom Weavers' Comprehensive Welfare Scheme	127.03	66.00	61.00
3	Yarn Supply Scheme	122.91	96.86	73.00
	Total	738.37	550.00	191.00

5. Major Challenges of the Handloom Sector

5.1 Raw Material Availability

5.1.1 Yarn Supply

Yarn is major raw material used in the handlooms. Yarn Supply Scheme (YSS), previously known as Mill Gate Pricing Scheme (MGPS) is the major scheme to provide yarn to the handloom weavers at reasonable prices. This scheme is been implemented through National Handloom Development Corporation (NHDC) and 788 yarn depots have been set up for this purpose. There is also a provision of freight reimbursement subject to maximum limit depending on the location and type of yarn.

⁶ Hank Yarn Notification (http://handlooms.nic.in/hl_hyp_notofocation.htm)

5.1.1.2 Currently, the NHDC estimates that it meets around 15% of the yarn requirement for the Handloom sector. Under YSS, all National/State/Primary/Regional level handlooms organizations, handloom development centres, handloom exporters registered with or approved by Ministry of Textiles and its subsidiary organisations, NGOs fulfilling CAPART norms, members of approved Handloom associations are entitled to freight reimbursements subject to actuals.

5.1.1.3 However, an important and substantial constituency is left out of the ambit of the scheme: the Master Weavers and those weavers who are dependent on them. While there is no available data, estimates suggest that as many as 35-45% weavers might actually be working for master weavers who act as a middlemen and provide them with yarn, work and pay.

5.1.1.4 The scope, coverage and guidelines of the Yarn Supply Scheme need to be modified so as to improve service delivery. The role of NHDC which is implementing the scheme needs to be enhanced.

5.1.1.5 It is important that more depots should be allocated to the areas dominated by weaver population and should be in proportion to the concentration of the weaver population. Assam has 5.6% of yarn depots where as it has over 44% weaver households⁷. Further, greater awareness regarding operation of yarn depots should be ensured. This should include placing all information relating to location of depots and current availability of stocks, along with details of quality, counts and pricing, in public domain for better transparency in operations.

5.1.1.6 NHDC regional offices should act as a resource agency to sensitize the weavers and help form societies or groups. They can mobilize resource persons for strengthening and capacity building of societies/groups to help form better linkages with financial institutions.

⁷ Third Handloom Census (http://handlooms.nic.in/handloom_census_2009-10.pdf)

This may enable weavers to have adequate finances for sourcing yarn under Yarn Supply Scheme. NHDC should also maintain close liaison with spinning mills and others as well as with the transporters so that improvement in service delivery can be assured, i.e. minimizing delay in yarn supply and providing desired choice of yarn (mill, quality & type).

5.1.2 Dyes

Colours and designs are Unique Selling Proposition (USPs) of handloom products and hence availability of dyes and colours is of paramount importance. There have been frequent complaints on the colour fastness and colour matching of handloom products. This is partly due to unavailability of good quality dye in small quantities to individual weavers and partly due to lack of awareness on different kinds of dyes and dyeing processes.

5.1.2.2 Currently, most individual weavers use local dye houses or purchase small quantity of dyes from local traders. These dyes which are available in paper “*pudiyas*” (sachets) are often adulterated with common salt making them less effective. Constant exposure to the atmosphere also reduces their potency. **This leads to inconsistent quality.** To improve the quality of dyeing, provision of dyeing training and up-gradation of existing dye houses were taken up under the Integrated Cluster Development Scheme. Under this scheme, existing dye houses are provided with capital to upgrade infrastructure. Since these dye houses are used by local weavers, it is assumed that improvement in the quality of dyeing will benefit the community as a whole. However, it has been reported from Varanasi and Mubarakpur clusters that this measure has been ineffective. The Dye houses that have been selected for up-gradation are owned by Master Weavers and generally only used by them. Therefore, it is essential to modify the mode of implementation. Such schemes must be implemented in partnership with majority of the weavers in the cluster/area. The same model has been successfully implemented in Chanderi, where the small dyeing house is being

extensively used by weavers on payment of nominal charge making it self-sustaining. A case study on the weavers of Chanderi is at **Annexure-VI**.

5.1.2.3 Another concern in this regard is the usage of Azo Dyes which are hazardous to the environment, are banned but because of low prices they are easily available and are being used. Hence, efforts need to be made to make certified and standards compliant Azo-free Dyes freely accessible and available through yarn depots of NHDC/WSCs etc. as well as generate awareness about the harmful effects of these Dyes. NHDC could also undertake supply of dyes and chemicals in small sachets of high quality dyes in order to make them easily accessible at a competitive price to all eligible weavers.

5.1.2.4 Training and awareness building on the usage of natural dyes, reactive dyes and colour fastening techniques need to be carried out. Pamphlets in local language outlining recipes, techniques for dyeing need to be circulated in local communities and training workshops conducted. Weavers need to be informed about the ban on Azo dyes and also about methods for disposal of dyeing wastes. One approach could be to first adopt the Mega-clusters and subsequently replicated them in other clusters in a phased manner.

5.2 ***Credit Availability***

Inadequate finances and access to loans

To sustain the production/ marketing cycle, it is necessary that timely and adequate finances are available with weavers both for sourcing of raw materials as well as to meet their living costs, until such time that they are able to realise their dues against their production/sales. At present, 80% of weavers work with Master Weavers including with exporters and, therefore, cannot access credit sources directly. Further, even the remaining weavers find it difficult to fully meet their credit

requirements on reasonable terms as they are unable to satisfactorily provide adequate security to banks/financing institutions.

This difficulty is aggravated by inefficiencies of the marketing system, poor accounting & financial management, financial illiteracy and diverting credit towards consumption needs. To ease the situation, modifications have been made in the existing scheme of Integrated Handloom Development Scheme (IHDS) during the year 2011-12 by introducing a new component of 'Institutional Credit for Handloom sector' to provide margin money support and interest subsidy of 3% to the weavers, apart from credit guarantee. In addition to these efforts, Revival, Reform and Restructuring Package was introduced to provide one time waiver of overdue loans and interests of eligible Handloom Cooperative Societies and individual weavers as on 31.3.2010 and financial assistance was provided to recapitalize such Societies. This package was implemented till February 2014.

5.2.1 Steering Committee on Handlooms and Handicrafts⁸ suggested following initiatives to ensure adequate flow of credit to the weavers:

- a) Financial Literacy needs to be provided to all weavers if they are to benefit from the facilities being extended under various Schemes.
- b) Each holder of Weaver's Identity Card should have a bank account.
- c) Possibility of issuing Weaver Credit Card linked to the Identity can be studied and implemented.
- d) Margin money support should continue and support should cover one weaving cycle of production and sale. Interest subsidy could be considered so as to bring the rate of interest at par with that for agriculture sector.

⁸Report of Steering Committee on Handlooms and Handicrafts constituted for the Twelfth Five Year Plan
(http://planningcommission.gov.in/aboutus/committee/strgrp12/str_handloom0305.pdf)

- e) The State Governments should foster the role of SHGs and link them with banks, microfinance institutions / Grameen and Sewa Banks, etc. to enable access to credit. NHDC should also assist in obtaining credit facilities from banks at least to those weaver groups /agencies that need to procure reasonable quantities of yarn.

5.3 Marketing Support and Brand Promotion

In order to provide opportunity to handloom weavers to market their products, and to expose consumers to handloom products from different parts of the country, a number of handloom exhibitions are held at National, Regional, State and District Levels. In addition, this component provides assistance for marketing and promotion of item-specific, area specific and fibre- specific handloom products. Further, this component has provision for assisting Handloom Weavers to participate in the Craft Melas, thus providing a variety of handloom products to the consumer under one umbrella.

5.3.1 In addition, marketing facilities for handloom weavers is provided through setting up of urban haats at prime locations of tourist and business importance in the country. Other important programs include Buyers-Sellers Meet and Handloom Marketing Complex at Janpath, New Delhi. In order to promote export of handloom products, major emphasis of Ministry of Textiles is on participations in International Exhibitions and Fairs through Handloom Export Promotion Council, Handicrafts and Handloom Export Corporation of India etc.

5.3.2 There are two market segments in handloom sector, namely, Niche (domestic and export) and others (domestic only). The articles, design, branding and promotion for both market segments require differentiated marketing strategies. However, the fundamental requirement in both segments is reasonable rates for quality inputs and fair return to the weaver.

5.3.3 In spite of the efforts initiated for providing marketing facilities as summarized above, it is felt that although participation of weavers have increased which has resulted in higher sales of handloom products yet there is lot of scope for tapping marketing potential of the sector. There is a tremendous need for availing benefits from the important tool viz Information Technology as so far very little efforts have been made to promote marketing of handloom products through e-commerce mode. The existing web portals are focused on information dissemination and there is a need for a portal for online promotion and marketing.

The Handloom and Handicrafts Division of Planning Commission initiated a study titled, ***“Enhancement of Scalability of Handlooms and Handicrafts through e-commerce”*** and a presentation made to Development Commissioner (Handlooms) on the creation of an Integrated E-commerce Portal for marketing of all hand made products, including handlooms. A detailed proposal was also submitted subsequently to Development Commissioner, Handlooms and Ministry of Textiles on how this could be operationalized within existing funds. A copy of presentation along with note is enclosed at **Annexure- VII**.

5.3.4 Further, there is a need to modernize and standardize the exhibitions across the country. The exhibitions are still being organized in the traditional way and lack basic amenities required by the Visitors. Providing the basic amenities and standardizing the structure of these programs by engaging professional agencies, will increase the reach of such programmes. Provisioning of basic amenities like separate toilets for ladies and gents; kids playing area; hygienic food; credit card swiping machines; first aid and fire safety etc. can be made mandatory. Besides, there is need to lay down specifications for stall size keeping in view the diverse needs of specific items to be displayed such as textiles (garments, made ups, yardage, sarees and furnishing etc.) and floor coverings.

5.3.5 Experience gained after interaction with various stake holders especially National Awardees and Master Weavers, over the last couple of years has indicated that only high quality, high value added and design driven products catering to niche market will promise a secure future for handloom products. Therefore, an appropriate strategy will be to generate continuous market intelligence through periodic studies and to provide inputs on colour trends, design preferences and specific end use demand etc. to the Master Weavers. The present subsidy driven approach needs to be revisited as the same is crippling innovation and enterprising spirit of Master Weavers who are producing products for niche markets. A report on the field visit to Pochampalli, Telengana is at **Annexure- VIII**.

5.3.6 In order to achieve and sustain predominant position for Indian handloom products in the domestic and global markets, the Government of India, through the Office of Development Commissioner (Handlooms), initiated Handloom Mark scheme. The purpose of Handloom Mark was to distinguish a handloom product from the power loom and mill made products and to be used for brand building of handloom products in India and abroad. However, it has been noticed that so far only 13778 beneficiaries (comprising Individual weavers, Master Weavers, Retailers, Corporations/Cooperatives and exporters etc.) have registered themselves under the scheme. There is a need for expanding the coverage under the Handloom Mark by strengthening the existing implementation mechanism (under Textiles Committee) as also to ensure that the integrity of the Labels issued is maintained through rigorous certification and process & product standards (such as 'Zero defect').

5.3.7 Apart from the Handloom Mark Scheme, other brand promotion measures are also required to be adopted. These measures, inter alia, may include:

- i. To celebrate 'India Weaves Week' once in a year to promote handloom products across all Indian Missions.

- ii. A tie-up with celebrities from the fields of films and sports during major marketing events coupled with thematic fashion shows etc. would provide an excellent platform for promoting the brand image of handloom products in the entire country. Besides, in order to promote, project and popularize handlooms, the outreach of TV serials may be leveraged by making a special appeal for adopting handloom attire for the anchors/news readers/protagonists and other characters in their serials/programmes etc.

5.4 ***Design***

Design is the forte of Handlooms. Very limited design support is provided under Integrated Handloom Development Scheme and the designs made are not marketed. Selection and Appointments of designers must not be confined to just those who have graduated from NID or NIFT to include more designers. Designers must be incentivized to market their design. Design development needs close linkages with marketing and its suitability to market trends and consumer requirements. It is important to note that weavers have played the role of designer and it's their imagination and creativity that has given identity to the handloom products. So, weavers must be encouraged to come up with new designs and must be involved in the design workshops where they can be informed about trends and get help from the professional designers. The designs competitions, open to both weavers and designers, can be organized by the Office of the DC (Handlooms) and all the good designs must be made publically available for the weavers by printing a catalogue and/or uploading on the web.

6. Other constraints

6.1 ***Poor Ergonomics and working conditions***

According to the Third Census, only 25% of the weaver households report that their children are interested in taking up handloom as profession despite the fact that 68% perceive no threat from the mill sector. The

reason for the decline in the number of weavers, thus, cannot be attributed to the decrease in opportunity and scope of handloom sector. Various pre-loom activities like warping the loom require the worker to work in extremely poor and painful ergonomic conditions for hours. ⁹A detailed analysis of the production process for handlooms shows a direct impact on health of the weaver. Body pain, pulmonary problems, chronic bronchitis, decrease in hand-grip strength are observed in weavers. 94% of weavers with 10-30 years of work experience report pain in the knee, back, and neck. Eyesight problem is also a serious problem amongst weavers. This is directly connected to the nature of weaving which involves continuous and repetitive movement.

It has been observed that weavers are still using old methods where they use their feet to operate pedals against a load of 10-20 Kg. while performing the 'shedding' function on looms, especially in jacquard looms. This results in quick fatigue and thus declining productivity with the passage of work hours. Therefore, use of pneumatic lifting mechanism for jacquard shedding can lead to increased comfort level of the weavers and hence higher productivity. Simple mechanical (non-electrical) innovations that have been done by WSCs need to be promoted to reduce strain for weavers, thus improving productivity.

6.1.2 Integrated Cluster Development Scheme has provision for distribution of better looms but its effect has been very limited. Only certain loom parts have been provided to a limited number of weavers. IIHTs and WSCs have made various small innovations to improve productivity and reduce fatigue and drudgery. The detailed list of such innovations including places of their popularity can be found in the Report of Advisory sub- committee on Handloom Reservation Act, 1985¹⁰.

It is imperative that the innovations carried over the years must be popularized and these innovations need to be replicated in other parts of the country.

⁹ Report of the Working Group on Handlooms for Twelfth Five Year Plan (http://planningcommission.gov.in/aboutus/committee/wrkgrp12/wg_handloom1101.pdf)

¹⁰ Report of Advisory sub- committee on Handloom Reservation Act, 1985 (<http://texmin.nic.in/reports/Final%20report%20of%20sub-committee%2018.9.13.pdf>)

DC (Handlooms) should also promote technology upgradation of handlooms through the Technical Upgradation Fund Scheme (TUFS) of the Ministry of Textiles, by linking weavers to institutional finance. Technological Upgradation of handlooms is also necessary to ensure better ergonomics and thus better working conditions for the weaver.

6.2 Inadequate Welfare Measures

6.2.1 According to the Third Handloom Census, 57% of the weavers fall under BPL category. The available healthcare services are both inadequate and unaffordable. Handloom Weavers' Comprehensive Welfare Scheme is the major scheme in this area.

6.2.2 Rs.127.03 crores was spent on Handloom Weavers' Comprehensive Welfare Scheme in 2012-13 alone but the socio-economic impact has been limited owing to the poor implementation. Haryali Centre for Rural Development with O/o DC Handlooms conducted a detailed evaluation of HIS in 8 states. The report highlights most weavers don't trust the doctors and clinics empanelled with ICICI Lombard¹¹, the implementation partner. 58% of weavers visiting OPDs opted for non-empanelled doctors and this number was 63% in case of IPDs. The reasons cited included unsatisfactory treatment, non-availability of doctors and doctors not paying attention to HIS cardholders.

6.2.3 There have been issues in reimbursement of claims under HIS. It is important to highlight that weavers have lost trust in the scheme. Out of the weavers who availed OPD facilities from non-empanelled doctors, only 48% filed for claims and only 54% of those were actually reimbursed. Out of those weavers who availed IPDs only 67% filed for reimbursement. The reason cited was that it was pointless filing for reimbursement as ICICI Lombard as a company did not reimburse claims.

¹¹ICICI Lombard is the implementing agency for Health Insurance Scheme.

Representations of weavers have been received regarding non-payment of re-imbusement of insurance claim by ICICI Lombard. This matter has been taken up with Ministry of Textiles. In order to address such issues, it was suggested that HIS being implemented by Ministry of Textiles should be brought on to the platform of Rashtriya Swasthya Bima Yojana (RSBY) being implemented by Ministry of Labour. Accordingly this proposal has been accepted by Ministry of Textiles and it is likely that the process of merger may be completed by next financial year.

6.3 Thin Spread of Resources

The major flagship scheme being implemented in the sector pertains to development of clusters and it has been seen that these clusters are taken up for various interventions such as skill upgradation, formation of SHGs, corpus fund for yarn depot, CFC/dye house, etc. for a period of 3-4 years. It has been observed that under this scheme, the focus of the Ministry has been to take up maximum number of clusters across the country. Thus, the approach of the Ministry has been target driven resulting in thin spread of scarce resources. The period of 3 years for development of a cluster is not sufficient to enable clusters to achieve self- sustainability. It is therefore important that instead of adopting a target driven approach for adopting more and more new clusters, efforts should focus on select promising clusters with time period of at least 7 years. These clusters must be provided the required support across all important areas including marketing, social welfare, credit availability and technological up-gradation. Holistic **empowerment** of the weavers must be ensured till these clusters achieve sustainability and stand on their own subsequent to exit by the Government. After evaluating success in these clusters, the model can be replicated in other clusters.

7. Way Forward

7.1 Keeping in view the trend which has emerged in the Handloom sector, it is essential to follow a strategic approach. It is imperative to understand that handloom products, being labour intensive cannot be produced for the mass market and cannot be cheap. Providing protection under Reservation of Articles is unsustainable in an open market. **Hence, handloom products must be branded and marketed to niche markets to clients who appreciate the value of hand made products and are willing to pay for them. Modern tools like e-commerce must be leveraged to brand and market “Handmade in India”.**

7.2 The approach of the Government has been to adopt more & more clusters in the sector resulting in thin spread of resources across the country leading to non-measurable outcomes. **This strategy has not been able to make substantial impact in improving quality and productivity in the sector. Therefore a review at this approach may be required and Government of India interventions need to focus on identified heritage clusters across the country so as to transform them into vibrant self-sustaining hubs.** This would be done on an intensive basis in areas such as design and development, technology up gradation, infrastructure development, adequate and quality raw material supply, credit and strong market linkages.

7.3 In view of the above mentioned issues and suggestions, a paradigm shift in the approach is required. A new Handloom policy encompassing long-term vision and comprehensive strategy must be considered in which the central pillar would be Marketing Support and Design Innovations supported by appropriate technology which would ultimately lead to better livelihood and therefore, better living standard of the weavers.

7.4 Given the spread of handlooms predominantly in the rural areas of the country, the need for a robust Social Security mechanism by way of effective health insurance hardly need any emphasis. Although the existing **Health Insurance Scheme (HIS)** of the office of the Development Commissioner (Handlooms) does address this concern but due to inadequate last-mile connectivity, the weaver's families in rural areas do not get the cashless OPD/IPD facilities provided for in the scheme. As the HIS has now been merged with the Rashtriya Swasthya Bima Yojana (RSBY) of Ministry of Labour, it would be imperative that **operational mechanism of the scheme should ensure proper reach of the implementing insurance company enabling the enrolled weaver's families to get cashless OPD/IPD facilities close to, if not at their door step.**

7.5 Periodic review of all schemes as well as the learning experience over a given time frame may lead to needed course correction. Based on this and on taking into consideration challenges/opportunities offered by evolving situations, redundant provisions, procedures, guidelines Acts can either be amended or repealed. The Handloom (Reservation and Articles for Production) Act, 1985 was promulgated with a view to protect the interests of handloom weavers. Initially, 22 textile articles with certain technical specifications were reserved for exclusive production by handlooms. In order to assess the efficacy of this Act and the extent of benefit derived by the handloom weavers, it is imperative that a study be carried out and based on the findings, necessary amendments in the Act and the Rules thereunder may be considered by the Ministry of Textiles.

THE HANDLOOMS (RESERVATION OF ARTICLES FOR
PRODUCTION) ACT, 1985

No. 22 OF 1985



[29th March, 1985.]

An Act to provide for reservation of certain articles for exclusive production by handlooms and for matters connected therewith.

Be it enacted by Parliament in the Thirty-sixth Year of the Republic of India as follows:—

1. (1) This Act may be called the Handlooms (Reservation of Articles for Production) Act, 1985.

Short title, extent and commencement.

(2) It extends to the whole of India.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. In this Act, unless the context otherwise requires,—

Definitions.

(a) "Advisory Committee" means the Advisory Committee constituted under section 4;

(b) "handloom" means any loom, other than powerloom;

(c) "manufacturer" includes the producer and processor, and the expression "manufacture" shall be construed accordingly;

(d) "powerloom" means a loom which is worked by power as defined in clause (g) of section 2 of the Factories Act, 1948;

(e) "processor" means a person engaged in any ancillary process subsequent to the production of cloth, such as dyeing, bleaching, mercerising, calendering, embroidering, printing, raising, cloth embossing or any other finishing process, but does not include a producer, and the expression "process" shall be construed accordingly;

(f) "producer" means a person engaged in the production of cloth on any loom, other than handloom, and shall include a person

Price Re. 0.50 Foreign £ 0.06 or 0.18 Cents.

63 of 1948.

Handlooms (Reservation of Articles for Production) [ACT 22]

who owns, works or operates on, a loom for the production of cloth, and the expression "produce" shall be construed accordingly.

Power to specify articles for exclusive production by handlooms.

65 of 1951.

3. (1) Notwithstanding anything contained in the Industries (Development and Regulation) Act, 1951, the Central Government may, if it is satisfied, after considering the recommendations made to it by the Advisory Committee, that it is necessary so to do for the protection and development of the handloom industry, by order published in the Official Gazette, direct, from time to time, that any article or class of articles shall, on and from such date as may be specified in the order (hereinafter referred to as the date of reservation), be reserved for exclusive production by handlooms.

(2) Every order published under sub-section (1) shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the order or both Houses agree that the order should not be made, the order shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that order.

Constitution of Advisory Committee.

4. (1) The Central Government shall, with a view to determining the nature of any article or class of articles that may be reserved for exclusive production by handlooms, constitute an Advisory Committee consisting of such persons as have, in the opinion of that Government, the necessary expertise to give advice on the matter.

(2) The Advisory Committee shall, after considering the following matters, communicate its recommendations to the Central Government, namely:—

(a) the article or class of articles which is being produced by handlooms for mass consumption;

(b) the article or class of articles which is being produced traditionally by handlooms;

(c) the level of employment likely to be generated by the production of the article or class of articles referred to in clause (a) or clause (b) exclusively by handlooms;

(d) the protection of interests of persons engaged in the handloom industry and the need for the continued maintenance of the industry; and

(e) such other matters as the Advisory Committee may think fit.

5. Where an order has been made under section 3 reserving any article or class of articles for exclusive production by handlooms, such article or class of articles shall not, on and from the date of reservation, be produced by any loom, other than handloom:

Provided that any person who, immediately before the date of reservation of any article or class of articles, was engaged in the production of such article or class of articles in any loom, other than handloom may continue to be so engaged till the expiry of three months from the date of such reservation.

Prohibition of production of articles exclusively reserved for handlooms.

6. (1) The Central Government may, by order, require any manufacturer to furnish, for the purposes of this Act,—

Power to call for information or to furnish samples.

(a) such information in his possession with respect to any manufacturing activity or business carried on by him or by any other person to any officer or authority specified by it in such form and within such period as may be specified by that Government in the order;

(b) such samples of any articles manufactured by him or by any other person for inspection by such officer or authority, at such places and within such period as may be specified by it in the order.

(2) Where any order has been issued to any manufacturer under sub-section (1), he shall comply with such order.

7. Any officer authorised by the Central Government (hereinafter referred to as the authorised officer) may enter, at all reasonable times, any place or premises of any manufacturer in which any textile articles are stored, kept or exposed for sale and may require the production for inspection of any books of account, registers, records or other documents kept therein and ask for such information relating to the manufacture, storage or keeping for sale of any such articles or to any powerlooms that may be found in such place as he may think fit for the purposes of carrying into effect the provisions of this Act.

Power to enter and inspect.

8. (1) If the authorised officer has any reason to believe that,—

Power to search and seize.

(a) any article or class of articles specified in any order made under section 3 is being produced in any place in contravention of such order; or

(b) any article or class of articles produced in contravention of such order are secreted in any place; or

(c) any article or class of articles is liable to forfeiture under this Act,

he may enter into and search such place or premises for such article, or class of articles or any powerloom which in the opinion of the authorised officer may have been used for the production of such article or class of articles.

(2) Where, as a result of any search made under sub-section (1), any article or class of articles or any powerloom has been found and the authorised officer has reason to believe that such article or class of articles has been produced, or such powerloom has been used for the production of any article or class of articles, in contravention of any order made under section 3, he may seize such article, class of articles or powerloom, together with the package, covering or receptacle, if any, in which such article or class of articles is found:

Provided that where it is not practicable to seize any article or powerloom, the authorised officer may serve on the owner of the article or the powerloom, as the case may be, an order that he shall not remove, part with, or otherwise deal with, the article or powerloom except with the previous permission of such authorised officer.

(3) Where any article or powerloom is seized under sub-section (2) and no prosecution has been launched within six months of such seizure, it shall be returned to the person from whose possession it was seized.

(4) The authorised officer may also seize any documents or things which, in his opinion, will be useful for, or relevant to, any proceeding under this Act.

(5) The person from whose custody any documents are seized under sub-section (4) shall be entitled to make copies thereof or take extracts therefrom in the presence of the authorised officer.

(6) If any person legally entitled to the documents or things seized under sub-section (4) objects, for any reason, to the retention by the authorised officer of the documents or things, he may make an application to the Central Government stating therein the reasons for such objection and requesting for the return of the documents or things.

(7) On receipt of an application under sub-section (6), the Central Government may, after giving the applicant an opportunity of being heard, pass such order as it may think fit.

9. The provisions of the Code of Criminal Procedure, 1973, relating to searches and seizures shall, so far as may be, apply to every search or seizure made under this Act.

2 of 1974.

Search and seizure to be made in accordance with the Code of Criminal Procedure, 1973.

Penalty for contravention of orders made under section 3.

10. 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 every day during which such contravention continues after conviction for the first such contravention; and

(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.

11. If any person,—

(a) when required by any order made under section 6 to furnish any information or sample, makes any statement or furnishes any information which is false in any material particular and which he knows, or has reasonable cause to believe, to be false or does not believe it to be true, or fails to furnish such sample or damages or destroys any article from which such sample was required; or

False statement.

(b) when required by the authorised officer under section 7 to produce any books of account, registers, records or other documents, fails to produce, or damages or destroys any such books, registers or other documents,

he shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to five thousand rupees, or with both.

12. Any person who attempts to contravene or abets the contravention of any order made under section 3 shall be deemed to have contravened that order. Attempt and abetment.

13. (1) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly: Offences by companies

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(a) "company" means any body corporate and includes a co-operative society registered or deemed to be registered under any law for the time being in force, a firm or other association of individuals; and

(b) "director", in relation to a firm, means a partner in the firm.

2 of 1974. 14. Notwithstanding anything contained in the Code of Criminal Procedure, 1973, every offence punishable under this Act shall be cognizable. Offences to be cognizable.

15. The Central Government may by order direct that the powers exercisable by it under any provision of this Act other than the power to make orders under section 3 or under section 18 or to make rules under section 19, shall in relation to such matters and subject to such conditions, if any, as may be specified in the direction, be exercisable also by— Power to delegate.

(a) such officer or authority subordinate to the Central Government; or

6 Handlooms (Reservation of Articles for Production) [ACT 22 OF 1985]

(b) such State Government or such officer or authority subordinate to a State Government, as may be specified in the direction.

Power of Central Government to give directions.

16. The Central Government may give such directions as it may consider necessary to a State Government as to the carrying into execution of the provisions of this Act.

Protection of action taken in good faith. Power to exempt.

17. No suit, prosecution or other legal proceeding shall lie against the Central Government, State Government or any officer or employee of the Central Government or of any State Government or any authorised officer for anything which is in good faith done or intended to be done under this Act or an order made under section 3.

18. (1) If the Central Government is satisfied that the demand for any article or class of articles reserved by an order under section 3 outside India is such that it is not possible for the handloom industry to meet such demand or any such article or class of articles is required to be produced for purposes of research or for the development of markets for such article or class of articles or of the handloom industry generally, it is necessary or expedient so to do, it may, by order published in the Official Gazette, exempt such article or class of articles from the operation of such order, and permit such article or class of articles to be produced by any powerloom solely for the purposes of export or for research by such institutions as may be specified in the order.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the order or both Houses agree that the order should not be made, the order shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that order.

19. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(2) Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

**PRESS BRIEF REGARDING “STATUS QUO IN THE DEFINITION OF
HANDLOOM UNDER HANDLOOM RESERVATION ACT”**

The apprehension of a change in definition of ‘handloom’ has triggered speculation and insecurity amongst a section of weavers and handloom activities and given a mistaken impression handloom activists that Government has taken a decision to allow the introduction of automatic machines to replace handlooms and that the Government intends to change the definition of ‘handlooms to include such mechanized looms’.

In this regard, it is clarified that no change is contemplated by Ministry of Textiles, in definition of ‘handloom’, which has been defined as **“any loom other than powerloom”** under the Handlooms (Reservation of Articles for Production) Act, 1985.

Handloom weaving constitutes one of the richest and most vibrant aspects of the Indian cultural heritage. As per handloom census 2009-10, the handloom sector provides employment to 43.3 lakh weavers and allied workers whereas the number was 65 lakh in 1995-96. The sector is facing constraints such as lack of technological up gradation, inadequate availability of inputs, non availability of adequate and timely credit, lack of contemporary designs etc. Further, a trend is noticed that the younger generation is not willing to continue with this profession or be attracted to it owing to low generation of income and hard labour required to operate looms whereas easier earning options are available.

The Government has been considering various ways to arrest this decline and has been implementing various developmental and welfare schemes to sustain the handloom sector. To improve the productivity and reduce the manual labour on loom, the Advisory Committee on Handloom Reservation Act, in its meeting held on 10.8.2012 had recommended the modifications in definition of handloom as **“handloom means any loom, other than powerloom; and includes any hybrid loom on which at least one process for weaving requires manual intervention or human energy for production”**.

The Parliamentary Standing Committee on Labour also supported the amendment in definition of handloom in various meetings. However, the amendment of the definition has since been re-considered by the Government. It has also been opposed by handloom experts and civil society members who have said that this change in definition of handloom would gradually

eliminate the difference between handloom and powerloom and lead to cornering of benefits meant for handloom weavers by the powerloom sector.

Various aspects pertaining to amendment of the definition and other incidental issues has recently been studied in greater detail by a sub-committee of the Advisory Committee which was constituted for the purpose. The committee of officials comprising of representatives from various states, Textile Committee, Textile Commissioner, Powerloom division and Development Commissioner for handlooms have studied the matter in depth and submitted a report.

The Sub-Committee while visiting different parts of the country examined various issues including different types of looms being operated by handloom weavers in handloom clusters across the country, the extent of modernization/mechanization being carried out in different parts of the country, scope for further improvement/upgradation of looms mechanically without use of power to reduce manual labour and to improve productivity without compromising the quality of handloom fabric and the possibility of replicating such interventions in other handloom clusters/pockets.

The Sub-Committee has submitted its report on 29th October, 2013 to Government. The Sub-Committee has recommended that in the process of weaving, the weaver does not use power and hence definition of handloom need not be changed and it should remain in the purest form. The Ministry of Textiles has accepted the report of the sub-committee and no amendment in the Handloom Reservation Act to change the definition of handloom is contemplated.

Section of National Textile Policy Pertaining To Handloom Industry

The handloom sector is known for its heritage and the tradition of excellent craftsmanship. It provides livelihood to millions of weavers and craftspersons. The industry has not only survived but also grown over the decades due to its inherent strengths like flexibility of production in small quantities, openness to innovation, low level of capital investment and immense possibility of designing fabrics. Government will continue to accord priority to this sector. Steps would be taken to promote and develop its exclusiveness for the global market. Measures will include the following:

- Training modules will be developed for weavers engaged in the production of low value added items, who may not be able to survive the competition consequent on globalization, with the objective of upgrading their skills to enable them to find alternate employment in the textile or other allied sector;
- Comprehensive welfare measures will continue to be implemented in close cooperation with the State Governments, for better working environment and the social security of the weavers;
- Effective support systems in research and development, design inputs, skill upgradation and market linkages will be provided;
- The implementation of the Hank Yarn Obligation Order and the Reservation Orders issued under the Handloom (Reservation of Articles for Production) Act 1985 will be reviewed keeping in mind the needs of the handloom weavers.
- Weavers Service Centres will be revamped in consonance with the contemporary trends, and, using Information Technology for efficacy, their activities suitably dovetailed with activities of centres of design excellence like NIFT and NID;
- As merchandising and marketing will be central to the success of the handloom sector, the present package of schemes for production of value added fabrics will be streamlined; Innovative market-oriented schemes will be introduced; and joint ventures encouraged both at the domestic and international levels. Brand equity of handlooms will be commercially exploited to the extent possible.

MINISTRY OF TEXTILES

ORDER

Annexure-IV

New Delhi, the 3rd September, 2008

S.O. 2160(E).— In exercise of the powers conferred by sub-section (1) of section 3 of the Handlooms (Reservation of Articles for Production) Act, 1985 (22 of 1985), and in supersession of the order of the Government of India, in the Ministry of Textiles, number S.O. 557(E), dated the 26th July, 1996, except as respects things done or omitted to be done before such supersession, the Central Government, being satisfied, after considering the recommendations made to it by the Advisory Committee that it is necessary to do for the protection and development of the handloom industry, hereby directs that the article or class of articles specified in column (2) of the Table below, shall with immediate effect, be reserved for exclusive production by handlooms upto the range specified in column (3), namely:-

TABLE

Sl. No.	Article or class of articles	Range reserved for exclusive production by handlooms
(1)	(2)	(3)
1.	Saree	<p>A Saree is a fabric made out of hundred percent. cotton yarn or hundred percent. silk yarn or in any combination thereof and includes a saree made in blends or union with upto forty-five percent. by weight of man-made fibres or yarn in combination with cotton yarn or silk yarn and is characterised by one or more of the following -</p> <ul style="list-style-type: none"> (i) has extra warp and/or extra weft design in the border and /or heading and/or body, including buttas containing any yarn including metallic or metallised yarn or zari or any combination of thereof; (ii) has a solid woven border; (iii) has tie and dyed yarn warp-wise and/or weft-wise, <p>but does not include-</p> <ul style="list-style-type: none"> (i) crepe, chiffon, chinon, georgettes and cotton voile saree; (ii) grey or bleached silk saree having a border in extra warp design.
2.	Dhoti	<p>Dhoti is a fabric made out of hundred percent. cotton yarn or hundred percent. silk yarn or in any combination thereof and includes a dhoti made in blends, or union with upto forty-five percent. by weight of man-made fibres or yarn in combination with cotton yarn or silk yarn which has an extra warp design of more than 14mm width including selvedge in the border, and/or extra weft heading of more than 14mm width.</p>

7.	Dress Material	Dress Material including Mashru cloth made out of cotton yarn and/or silk yarn (including spun silk) and/or art silk yarn and/or tie and dyed yarn or in any combination thereof, woven with extra weft design in the border and/or body irrespective of count and dimensions and includes Telia Rumal and Real Madras Handkerchief.
8.	Barrack Blankets and Kambal or Kamblies	<p>(a) Barrack blanket means a thick fabric made of wool of about 34 microns and above, with fibrous surface, produced by milling and raising and includes barrack blankets made by using hand spun or mill spun woollen yarn from natural grey or black wool or combination thereof, and produced in any size or weave.</p> <p>(b) Kambal or kamblies means a thick fabric made of wool of about 34 microns and above, with fibrous surface, produced by milling and raising and includes kambal or kamblies made by using hand-spun or mill-spun worsted yarn, woollen yarn or combination thereof, in plain, stripe or check design.</p> <p>Explanation.- For the purpose of this order, items (a) and (b) shall not include barrack blanket, kambal or kamblies made out of shoddy yarn, i.e, a cheaper class of woollen yarn made from reused or recycled wool and synthetic rags.</p>
9.	Shawl, Muffler, etc. Loi, Pankhi	<p>Shawl is a piece of cloth woven from worsted yarn or woollen yarn or Pashmina yarn or pure silk yarn or cotton yarn and/or any combination thereof, which is used for covering body or worn over the shoulders without being put to any tailoring process and includes,-</p> <p>(A) a shawl-</p> <p>(i) which is woven with extra weft design, using woollen yarn or worsted yarn or pashmina yarn or pure silk yarn or cotton yarn and/or any combination thereof or in blends with other fibers which may be natural and/or man-made or synthetic, with dobby or jacquard design up to 400 hooks;</p> <p>(ii) which is woven using any type of woollen yarn, worsted yarn or pashmina yarn or pure silk yarn or cotton yarn and/or any combination thereof;</p> <p>(iii) which is woven with any count of yarn; and</p> <p>(iv) which is woven in any length, width and weight;</p> <p>(B) Loi, pankhi, mufflers, traditional shawls like kullu, kinnauri, khani, pashmina, dhori, lirancha (Tibetan), gajari or any shawl, by whatever name called, in the north eastern region.</p> <p>Explanation.- for the purpose of this order, item (A) and (B) does not include article made from cashmelon yarn.</p>
10	Woollen Tweed	<p>Woollen tweed is a piece of fabric woven by hundred percent pure woollen yarn for making coats, jackets and dress materials and is-</p> <p>(i) produced in check or stripe design irrespective of dimensions; and</p> <p>(ii) produced in 3/1 twill weave.</p>

11	Chaddar, Mekhala Phanek	or	Chaddar, Mekhala or Phanek is used for covering lower and/or upper part of the body and is manufactured from cotton yarn or silk yarn or art silk yarn or in any combination thereof, woven in plain or twill weave with check or stripe design irrespective of count and dimensions and is characterised by a border and/or cross border with extra warp and/or extra weft design and includes- (i) Puan of Mizoram; (ii) Dhara, Jainsem, Dakmanda, Daksari of Meghalaya; (iii) Skirts and Odhana fabrics of Nagaland and Arunachal Pradesh; (iv) Riha and Pachara of Tripura; (v) Pawade (set) or Dhawani of Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Pondicherry; and (vi) Dakhona, Danka, Khamlet, Phanek of Assam;
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Explanation, - for the purpose of this order,-

- (a) "Chiffon" means a lightweight, open-mesh fabric, made from hard twisted silk filament yarn in plain weave;
- (b) "Butta" means extra warp and/or extra weft spots design effect in the body of a saree or dress material;
- (c) "Pawade" means an ankle-length gathered skirt often in two-piece often used with sari or dupatta;
- (d) "Odhani" means an oblong cloth of about 6 to 7 ft. long and 3 to 4 ft. wide, with overall embroidery or woven jacquard weave with traditional design like himroo shawl or made up of a fabric decorated with cotton yarn or silk yarn or zari or any other fibre and used to cover the body;
- (e) "Chinon" means a cotton or cotton blended compact plain or twill fabric mainly used as summer wear;
- (f) "Upholstery" means intricately designed jacquard fabric used for upholstering and furnishings;
- (g) "Mashru" means a mixed fabric made from cotton yarn and silk yarn and/or tie and dyed yarn;
- (h) "Mekhala" means a piece of cloth with ends sewn together which is used by women as dress or petticoat, in Assam
- (i) "Riha" means a cloth worn by women on the upper part of the body;
- (j) "Dhawani" means a saree like fabric of about 4 to 5 yards in length used by girls;
- (k) "Puan" means a cloth used for covering lower and/or upper part of the body, manufactured from cotton yarn or silk yarn or art silk yarn or in combination thereof, woven in plain or twill weave with check or stripe design and used commonly in Mizoram;
- (l) "Dhara" means a cloth used for covering the lower/ or upper part of the body manufactured from cotton or silk or combination thereof, in plain or twill weave with check or stripe design, used commonly in Meghalaya and also commonly known as "Jainsem" or "Daksari" or "Dakmanda"
- (m) "Loi" means a cloth woven from worsted or woollen or cashmelon or pashmina or any other fibre and/or blends thereof, which are used for covering the body; and also called as "Pankhi" or "Muffler" or "Shawl" in varying dimensions;
- (n) "Dhakona" means varieties used for covering lower and/or upper part of the body manufactured from cotton or silk or combination thereof, in plain or twill weave with check and stripe designs and commonly used in Assam.

[F.No. 2/1/2008/DCH/CEO]

B. K. SINHA, Development Commissioner for Handlooms

Annexure V

State-wise number of handloom weavers and allied workers and no. of handlooms as per 3rd handloom census of 2009-10

Sl.No	State	No. of handloom weavers & allied workers	No. of handlooms
1.	Andhra Pradesh	355838	124714
2.	Arunachal Pradesh	33041	27286
3	Assam	1643453	1111577
4	Bihar	43392	14973
5	Chattisgarh	8191	2471
6	Delhi	2738	2560
7	Goa	0	0
8	Gujarat	11009	3900
9	Haryana	7967	4876
10	Himachal Pradesh	13458	5578
11	Jammu & Kashmir	33209	7301
12	Jharkhand	21160	2128
13	Karnataka	89256	40488
14	Kerala	14679	13097
15	Madhya Pradesh	14761	3604
16	Maharashtra	3418	4511
17	Manipur	218753	190634
18	Mizoram	43528	24136
19	Meghalaya	13612	8967
20	Nagaland	66490	47688
21	Orissa	114106	43652
22	Pondicherry	2803	1771
23	Punjab	2636	261
24	Rajasthan	31958	5403
25	Sikkim	568	345
26	Tamil Nadu	352321	154509
27	Tripura	137177	139011
28	Uttar Pradesh	257783	80295
29	Uttaranchal	15468	3766
30	West Bengal	779103	307829
	Total	43,31,876	23,77,331

REPORT OF VISIT OF THE THREE MEMBER COMMITTEE OF OFFICERS OF PLANNING COMMISSION TO CHANDERI HANDLOOM CLUSTER

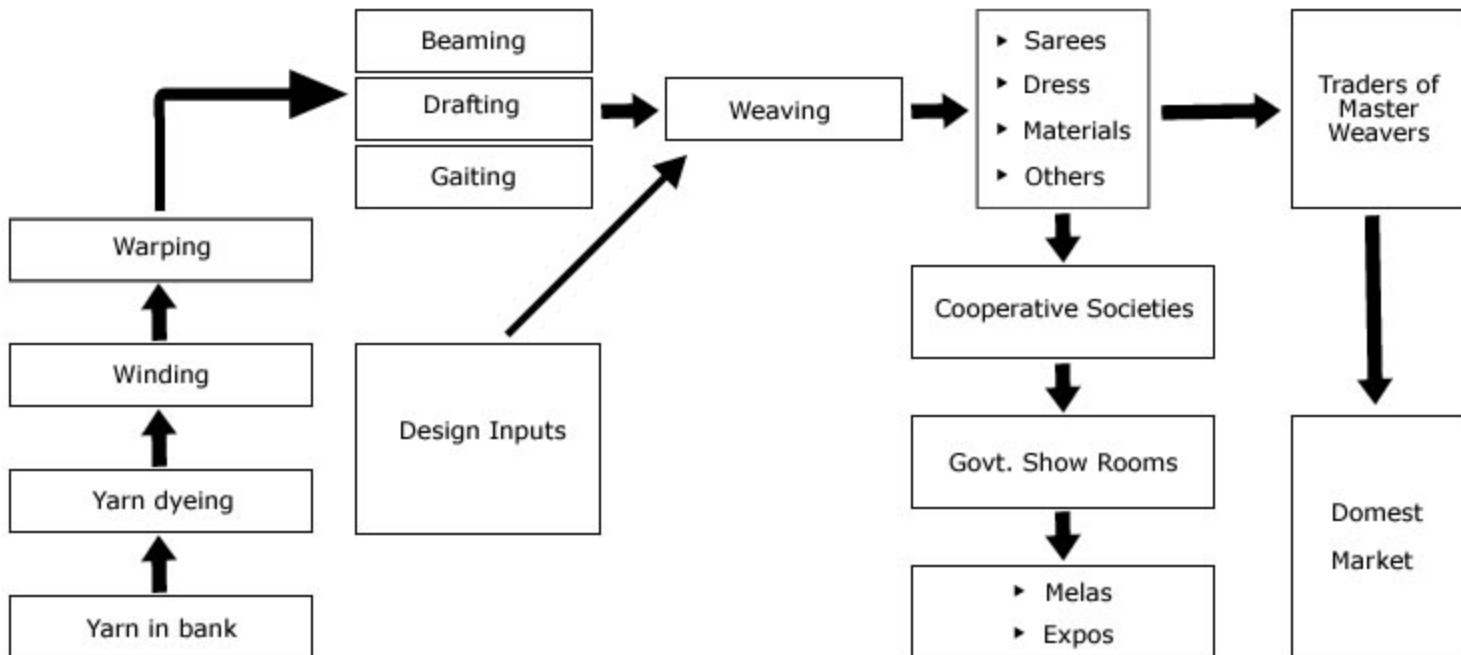
During a review meeting with the Advisor (Industry) in the last week of March 2014, it was thought prudent to have a firsthand assessment about the impact and benefits of the different interventions implemented in the handloom cluster at Chanderi, Madhya Pradesh, through the Cluster Development Scheme of the office of Development Commissioner (Handlooms). Accordingly, as per instructions of the Advisor (Industry), the undersigned along with Sh. P.K. Khullar, Research Associate and Sh. Sachin Goel, Young Professional, visited Chanderi between 2nd. and 4th. April 2014.

THE BACKGROUND

Chanderi is one of the best-known handloom clusters in India, particularly famous for its sarees, made with mix of silk and cotton. Chanderi is situated in the Ashok Nagar district, North of Madhya Pradesh (MP), Saree is the product of second half of twentieth century only. Then, there have been changes in the methodologies, equipment and even the compositions of yarns in past. The heritage is attached with the skills of weaving high quality fabric products here. The weavers are actually the symbol of the heritage, as they have been the ones, who produced the kinds of stuff that received appreciation even from the royals.

Chanderi is produced using three raw materials: cotton, silk thread, and zari. All of these materials are imported from other regions in India, as well as China, Japan, and Korea. The colors of Chanderi silk come from both natural as well as chemical processes. Currently, chemical dyes are preferred due to their fast-acting quality. Traditional looms are still used as the primary means of production. These include pit looms, dobby, and jacquard looms. The hand-woven silk has a light, sheer quality that sets it apart from textiles produced en masse in factories.

PROCESS FLOW CHART FOR CHANDERI SILK PRODUCTION



IMPLEMENTATION OF THE CLUSTER DEVELOPMENT SCHEME OF THE OFFICE OF DEVELOPMENT COMMISSIONER (HANDLOOMS).

This Cluster was adopted in 2006 and the Entrepreneurship Development Institute of India (EDI) had been the Implementing Agency who implemented various interventions till 2011.

During interaction with Sh. Tarun Bedi, the Cluster Development Executive, it was informed that this cluster comprised about 3500 handlooms and majority of the weavers were wage earners, operating their individual looms from their respective homes. During the course of implementation of the project, the following had been the major interventions:

Interventions

Infrastructure related:

- Warping Sheds
- Dyeing Centre
- Common facility Centre (CFC)

Design related:

A designer from NIFT, Mr Sanjay Garg, was engaged who introduced new designs and helped the local designers in translating the designs into the graphs, which can be understood by the weavers. He introduced Raw Mango as his label.

Technology Upgradation:

Five-wheel and at some looms seven-wheel Take-up motion has been adopted by a large number of weaver households. This has resulted in improving the productivity of the loom by around 20%, apart from better uniformity of pick spacing along the length of the saree, thus an improvement in quality.

INITIATIVES TOWARDS SUSTAINABILITY

A company has been formed in the name of Chanderi Handloom Cluster Development Producer Company Limited (259 weavers are members). It is a self-sustaining, for profit company and operates a Common Facility Centre (CFC) using its own profit. It also provides support to the local weavers and some of the local weavers are directors in the company. A yarn depot of NHDC is also being operated by them. It has its own marketing arm, which develops/evolves new designs in consultation with their buyers and after obtaining orders from various wholesalers from different parts of the country, organize production of desired quantities from its own member weavers.

Another company in the name of Bunkar Vikas Sansthan has been created by 13 SHGs comprising 119 weavers as members. Apart from handling production of sarees through its members, this company also runs dyeing facilities for weavers. The company is owned and managed by the member weavers on commercial profit earning basis and they operate from self-owned premises.

MARKETING OF THE PRODUCE

The local traders and master weavers having requisite financial resources handle marketing of the products, apart from continually introducing new designs periodically.

Observations:

- Weaving sheds not as successful as weaving is a home and family activity.
- Common Warping sheds are also not being utilized as was intended in the scheme.
- Local Entrepreneurs have come up who are marketing the local products after formal education as MBA
- All the interventions are done in PPP model in which entire land and 20% of the project cost has been contributed by the weaver community.

Major Improvements:

- Daily wages have gone up from 50-60 INR per day to 300-400 INR per day
- Designs are being updated frequently and tools like *whatsapp* are being leveraged to share designs with clients and getting the feedback.
- Take-up motion has been adopted on the looms resulting in reduced labour and productivity increase by 20%
- Solar Powered Lights (9 Watts CFLs x 2) have been provided to the weavers by the State and PSU support, apart from nominal contribution by each weaver household.

ISSUES AND CONCERNS NEEDING ATTENTION:

1. Interaction with weavers, local designers and the company directors revealed that they badly need regular guidance on colour forecasts and trends in advance so that they could produce required shades in time for a specific market/customer.
2. The weavers in the cluster expressed a need for a technical institution in Chanderi itself so that their children could get a formalized technical education through some sort of certificate or diploma course which could also teach the locals about basics of entrepreneurship and marketing etc. This is necessary because there is no degree college in Chanderi and lack of education is severely restricting the growth prospects.
3. No doctors and clinic in the town.
4. No connectivity with the nearby city (Lalitpur) because of the poor roads.
5. Less availability of good colors and more importantly in small quantities.
6. Limited Marketing avenues.
7. NHDC has lead time of 1 month to desired raw materials and that too subject to availability and NHDC cannot provide silk and dyes at competitive price because of influx of cheaper dyes from China

SUGGESTED INTERVENTIONS TO ADDRESS THE NOTED CONCERNS

1. During the upcoming two-year consolidation phase of the cluster, apart from the interventions available in the approved scheme, the following additional actions could be considered:
 - 1.1 For a design-led growth, market-centric professional designers may be placed at Chanderi to work with local designers. These designers should have advance knowledge on colour trends for a given market as well as about the cost dynamics of the target markets. This should remain a continuous process till required expertise becomes locally available.

- 1.2 The CAD and virtual weaving software needs a trial because actual weaving for a new design on handloom is a time consuming proposition, apart from its limitation of being able to weave only one set of colour combination at a time. This is akin to continuous sample development in the organised textile mills where actual as well as virtual samples are developed for buyer's approval, before taking up mass or bulk production as per orders from the market.
- 1.3 The IIHTs could be requested to explore the possibilities of running customized technical courses for the children of the weaver's families in Chanderi itself. For this, the existing infrastructure of the State Government's District Handloom Office and Training Centre at Chanderi can be used, if permitted. These children need to be taught on:
- basics of textile raw materials,
 - yarn numbering system,
 - basics of warping, weaving, drawing-in and pirn winding,
 - dobby, Jacquard, harness mounting, card cutting and weaving,
 - elementary and advance textile designing for weaving and colours etc.

With the above inputs, the children would be able to apply their classroom concepts through hands-on training at their respective homes from their parents. Besides, the children also need to be sensitized on basics of cost, pricing, waste control, entrepreneurship and marketing etc. This can be a packaged one-year certificate course and will help the weaver community to make fast improvements not only in their quality and productivity of their produce, but also in the quality of their lives.

2. Although the entire production of Chanderi is reportedly marketed well without significant unsold stocks at the end of year or season, yet from the point of view of enabling the small and marginal weavers graduating from wage earners to entrepreneurs, it is suggested that the O/o DC(Handlooms) may consider 5 or 6 marketing programmes/ exhibitions specifically for the individual weavers and they may be encouraged to participate in such programmes by pooling of small quantities of a group of individual weavers.
3. As regards non availability of doctors and clinic in the town and poor connectivity with the nearby city (Lalitpur) the O/o DC(Handlooms) can requested to take up the matter with the concerned departments of MP Government.



सत्यमेव जयते
Planning Commission
Government of India

Enhancing Scalability of Handloom and Handicrafts through e-commerce

Presentation Layout

- “ Introduction
- “ Objective
- “ e-Business Models followed globally
- “ Government Portals studied
- “ Private Portals studied
- “ Observations
- “ Way Forward

Introduction

- “ Handloom and Handicrafts market in India is mostly unorganized
- “ Various initiatives have been taken by government, NGOs and private entities to organize and tap the market potential

Why is web presence important for Handlooms & Handicrafts?

- “ Global reach
- “ e-commerce in India grew **88%** to **16 Billion USD** in 2013
- “ Some portals have done exceptionally well in this sector:
 - “ Etsy grossed **\$ 1 billion** in annual revenue globally
 - “ Craftsvilla the **only** profitable Indian e-commerce company
- “ Special mention in **Working Group** recommendations

Objective

Developing and marketing a web portal that will showcase and make commercially available (both retail and bulk orders) Handloom and Handicraft products globally

e-Business Models followed

- “ Information Based: No Transactions only information
- “ Online Store: the company is the seller
eg: zovi, fastrack, flipkart (2 years back)
- “ Market Place: Multiple Sellers have their own online shops
eg: flipkart (now), amazon
- “ Aggregator: reference website
eg: jungle

Market Place

- “ Online Super-Market
- “ Website leases online space to the retailers
- “ Market Place owner takes care of following:
 - “ Technology Infrastructure
 - “ Payment
 - “ Logistics
- “ Retailer Pays Commission for the services
- “ E.g.: flipkart (now), amazon, shopclues, tradus

Aggregator Model

- “ Referral website
- “ Lists the products of other website
- “ User redirected to the product parent website for purchasing
- “ Fee for every referral
- “ Logistics, Payment and every service to be taken care by the product listing partner
- “ E.g.: junglee, couponraja

Government Portals Studied

Website	Ownership	Operation Model
craftclustersofindia.in	Office of DC Handlooms	Information Based
hhecworld.in	Handloom and Handicrafts Exports Corporation of India	Information Based
cottageemporium.in	Central Cottage Industries Corporation Of India Limited	Online Store
hheconline.in	Handloom and Handicrafts Exports Corporation of India	Online Store
keralahandicrafts.in	Handicrafts Development Corporation of Kerala Ltd	Information Based
cauveryhandicrafts.net	Karnataka State Handicrafts Development Corporation Ltd	Online Store
lepakshihandicrafts.gov.in	Andhra Pradesh Handicrafts Development Corporation Ltd	Information Based

Private Portals Studied

Websites	Business Model
etsy.com	Market Place (Global)
craftsvilla.com	Market Place (South East Asia)
qartoos.com	Market Place
rangiru.com	Market Place
48crafts.com	Online Store
Other general Market Places like Amazon (B2C), Indiamart (B2B)	

Highlights from CCIC

- “ Website: cottageemporium.in
- “ Web development outsourced (~INR 9 lakhs)
- “ No promotion or google analytics integration
- “ No product updation for last 4 years

- “ Online consumer order of about 6-8 lakhs annually
- “ Have some returning customers
- “ Online bulk order: **ZERO**
- “ Reason:
 - IT guy: “We forward the query to concerned department”
 - Concerned Department: “Never received any query”

Highlights from HHEC

- “ Website: hheonline.in
- “ Web development: in-house, design outsourced (~ 1 lakh)
- “ Google analytics integrated and ad campaign of INR 2.5 lakhs
- “ Little product updation

- “ Online consumer order of about **INR 15,000** annually
- “ Online bulk order: **INR 15 lakhs**
- “ Reason:
 - IT guy: “We forward all the query to concerned department and some times they respond and some time don’t”
 - Concerned Department: “We always respond”

Observations

- “ After studying multiple portals by the Government, following areas of improvement were identified:
 - “ Ownership – Customer Servicing
 - “ Structure (UX: User eXperience)
 - “ Design (UI: User Interface)
 - “ Reach / Web Presence

Ownership – Customer Servicing

Bulk buy enquiry sent to all the major government portals but not even a single response

Structure (UX: User eXperience)

Search

Craft
Carpet

State
Jammu & Kashmir

District
Samba

Cluster
---Select ---

Search

Search section of
a government portal

- “ User not aware of the clusters
- “ User does not want to know about the clusters
- “ Even if user is aware of the product available in state, still he might end up no-where

Design (UI: User Interface)

Dear Customer,

Thanks for visiting CCIC of India Ltd website. Hope you had a wonderful shopping experience. In order to serve you better, we request you to spare a minute and fill your valuable feedback:

NAME:

CONTACT NO:

EMAIL ID:

1. Visual Appeal of products: Excellent ● Very Good ● Good ● Satisfactory ● Needs Improvement ●

2. Variety of products: Excellent ● Very Good ● Good ● Satisfactory ● Needs Improvement ●

3. Product designs & Exclusivity: Excellent ● Very Good ● Good ● Satisfactory ● Needs Improvement ●

4. Price Range: Excellent ● Very Good ● Good ● Satisfactory ● Needs Improvement ●

5. Customer support : Excellent ● Very Good ● Good ● Satisfactory ● Needs Improvement ●

6. Accessibility of placing order: Excellent ● Very Good ● Good ● Satisfactory ● Needs Improvement ●

7. Promptness in delivery of products: Excellent ● Very Good ● Good ● Satisfactory ● Needs Improvement ●

Any Suggestion that would help us serve you better:

Design (UI: User Interface)

The image displays a grid of product cards on a light-colored background with a subtle floral pattern. Each card contains an image of a product, a title, and two buttons: 'ADD TO CART' (yellow) and 'VIEW DETAILS' (blue). The first card shows 'Fine Indian Tea' with a price comparison: 'Actual Price: ₹ 675/-' and 'Offer Price: ₹ 607.5/-'. Below it is a 'VIEW DETAILS' button. The second row contains four placeholder cards with the text 'NO IMAGE'. The third row contains four cards: the first is a 'NO IMAGE' placeholder, and the others are 'Bag Delhi Map Shopper', 'Bag', and 'Bag Kabootar Print Shopper', each with its respective image and buttons. At the bottom, there is a dark red footer with the CCIC logo and the text 'A PUBLIC SECTOR'.

Reach / Web Presence

Website	Global Rank*	India Rank*
cottageemporium.in	715,000	89,000
hheconline.in	2,200,000	161,000
craftclustersofindia.in	2,400,000	-
cauveryhandicrafts.net	945,000	117,000
craftsvilla.com	12,500	981
qartoos.com	243,000	23,900
etsy.com	137	43 (US Rank)

*Alexa Rank

Way Forward

- “ Leveraging organizations like **HHEC** and **CCIC** for implementation
- “ Working on the focus area identified:
 - Structure (UX)
 - Design (UI)
 - Content Management
 - Mode of Operation
 - Customer Service
 - Web Presence
- “ Implementation of the portal

Structure (UX)

- “ How easily can user reach the desired page?
- “ Intuitive design and content placement
- “ Product must control the navigation
- “ Product based Search option
- “ Segmentation of the products
 - Product category based
 - Art / Craft based
- “ Auto suggestions and related products
- “ Express check-out and minimum information from user
- “ Aggregation of similar information

Design (UI)

- “ Aesthetically placed content (products, categories aligned)
- “ Use of attractive banners and pictures
- “ Responsive Design (CSS)
- “ Design must be updated constantly, keeping in line with the current trends



UI
&
UX

Content Management

- “ Elegant and accurate content
 - Product description
 - About the craft
 - **About the place and cluster**
- “ Quality Pictures
 - “ Clean / elegant background
 - “ Zoom option with least resolution of 1000 x 800
- “ Right product mix on the home page
- “ Information must be kept updated

Customer Service

- “ Unfair advantage of being a government portal turns negative because of poor customer service
- “ Minimum Service Level Agreements (SLAs) and Turn Around Times (TAT) to be enforced
- “ Dedicated team must be responsible for ensuring SLAs and TATs
- “ Incentive based approach must be implemented

Web Presence

- “ Search Engine Optimization (SEO)
- “ Ad – campaigns
- “ Blogs and other content
- “ Social media integration
- “ Linking the website with tourism websites

Website Models

- “ Ministry of Textiles must have different websites for
 - “ Artisans and weavers – information dissemination, application invitation etc.
 - “ Consumer – to promote handloom & handicrafts

- “ Information based website for artisans and weavers
- “ For consumers: Market Place (both retail and bulk orders)
 - “ One of the PSU takes the ownership
 - “ Multiple Product listing partners

Responsibility to enforce agreed TATs / Lead Times lies with portal owner

Salient Features of Govt Portals must be retained

- “ Video on the online – shows cultural heritage

- “ Google Street view integration of cottage emporium – gives face value to the portal

Implementation Strategy

- “ Suggested Committee to over-see implementation
 - Chairperson: DC Handlooms
 - DC Handicrafts
 - Adviser, Planning Commission
 - Head of the Portal Owning PSU
 - Member with Technical and e-commerce operations experience
- “ Selecting a PSU as the portal Owner
- “ Selecting the product listing partners eg: CCIC, HHEC, Leepakshi
- “ Selection of a private partner to provide e-commerce services including webs development, SEO services, customer service

Important terms of MoU with product listing partners

- “ A nodal officer / Single Point of Contact to be designated
- “ Product catalogue of at least 50 products
- “ Turn Around Times (TATs) and Service Level Agreements (SLAs)
- “ Periodic update of product catalogue (at least once in 2 months)

Customer Servicing Model

- “ Private (outsourced) partner to act as initial Single Point of Contact for the customers
- “ Nodal officer appointed by the product listing partner will be responsible for appropriate actions on queries
- “ Private (outsourced) partner must send a fortnightly report to the over-seeing committee stating:
 - Number of queries received
 - Number of queries responded in agreed TATs
 - Count of TAT / SLA misses
 - Amount of queries converted to revenue

Responsibilities

- “ Portal Owner:
 - “ Entire Ownership: both portal and business
 - “ Liaisoning with private partners
- “ Product Listing Partners:
 - “ Providing the products to be listed
 - “ Maintaining the agreed SLAs and TATs
- “ Private Partner:
 - “ Web Design , Development, SEO and promotion
 - “ Co-ordinating with Product Listing partners
 - “ Ensuring customer service and product delivery

Implementation Time Line



Excellent Customer Service

Questions and Suggestions!

TOUR NOTE ON VISIT TO HYDERABAD/ POCHAMPALLY – BRAND PROMOTION OF HANDLOOMS

In order to achieve and sustain predominant position for Indian handloom products in the domestic and global markets, the Government of India, through the Office of Development Commissioner (Handlooms), initiated Handloom Mark scheme. The purpose of Handloom Mark was to distinguish a handloom product from the power loom and mill made products and to be used for brand building of handloom products in India and abroad. However, it has been noticed that so far only 13778 beneficiaries (comprising Individual weavers, master weavers, retailers, Corporations/Cooperatives and exporters etc.) have registered themselves under the scheme.

A team headed by Adviser (Industry-II) visited Hyderabad and Pochampally between 10-13 September, 2014 and had extensive interaction with awardee weavers namely Sh. Gajam Govardhana - Padam Shree; Sh. Gajam Anjaiah, Padam Shree and Sh. G. Ramanaiah, Sant Kabir Awardee, Lepakshi at Hyderabad and members of Pochampally Weaver's cooperative society. During interaction, specific recommendations/ suggestions were invited with respect to current scenario of branding in handloom sector and further steps required for strengthening the brand image of handlooms. Accordingly, the following observations/suggestions emerged:

- i. During the interaction of the team with the master weavers, they showed their product range comprising of intricate designs in Ikkat and Jamdani being manufactured by them. Besides, they also showed a range of furnishing fabric made in Ikkat weaving. (Photographs of these products are at **Annex-A**). The master weavers informed that they had no difficulty in marketing their products since these were of high quality and high value addition created with the help of professional designers and there was no dearth of the demand in the market. Thus, in a way these master weavers cater to niche market. On our enquiry regarding the wages being paid by them to weavers employed, it was informed that on an average, the average wage rate is to the tune of Rs.10,000 per month. Shri Gajam Govardhan further informed that 800 weaver families are working with them to whom they provide raw material and design and work through the year. We were told by master weavers that they do not avail any benefit or facility under any of the schemes being implemented by Development Commissioner (Handlooms). However a specific request was made by them with regard to assistance of the Government in the form of studies which could inform them in advance regarding latest trends in design and colour range in specific domestic markets. It was also desired by them that sustained efforts

by the Government in the form of fashion shows, evolution of new design through design competition in institutions like NIFT/NID etc. shall go a long way in popularising the handloom products.

- ii. Discussions were also held with the members of the Pochampalli Weavers Cooperative Society Private Ltd., Most of the Society members requested that they need further government support by way of increased number of stalls in Dilli Haat and Surajkhund Mela for sale of their products and enhanced subsidy support in procuring raw material etc. It was informed that Society has availed benefits under RRR package and due to this support their balance sheet has come out of red. It was also informed that Society sells 60% of their products to APCO. However, they expressed the concern that the payments are being received after considerable delay and sometimes as late as up to 6 months. On our enquiry with regard to prevailing wage rate of the weavers, it was informed that average monthly wage rate of Rs.3000 is being paid to the weavers by the society for manufacturing of products. It is pertinent to mention here that during our visit to the show room being run by society, it was noticed that the product range was not diverse and designs being used by them were traditional with little or no innovation. (Photographs of these products are at **Annex- B**).
- iii. From the above it can be inferred that only high quality, high value added and design driven products catering to niche market will promise a secure future for the handlooms. Therefore, appropriate strategy shall be to generate continuous market intelligence through periodic studies and provide inputs on colour trends, design preferences and specific end use demand etc. to the master weavers. The present strategy of subsidy driven approach needs to be revisited as the same is crippling the innovation and enterprising spirits of the weavers who are into producing only run of the mill products, as evidenced by the quality and design of the products with limited market.
- iv. In general there was a consensus among stake holders that handlooms need to be vigorously promoted through fashion shows involving celebrities from the film industry and sports. It was further suggested that in order to promote, project and popularise handlooms, the power of TV serials may be leveraged. In this regard the Government of India can appeal to the concerned quarters for considering adopting handloom attire for the anchors/news readers/protagonists and other characters in their serials/programmes etc.



