

## Modified Guidelines of "GROUP WORKSHED SCHEME" for Powerloom Sector

### 1.0 Introduction

The "Schemes for Modified Group Workshed" for Powerloom sector is formulated by suitably modifying the existing Group Workshed Scheme for decentralised powerloom sector to organise powerloom units in a cluster and to provide improved working condition in terms of more space, work environment, improve the work efficiency to enhance their competitiveness in the global market.

### 2.0 Objectives

2.1 The prime objective of the scheme is to facilitate the establishment of Worksheds for modern looms in an existing or new cluster, which will provide required scale of economy for business operations.

### 3.0 Scope of the schemes

3.1 The Worksheds under the schemes includes the space required for setting up of modern machine looms, weaving preparatory & sectional warping machines and other functional requirement which interalia will be on the following scale.

A. Area for the modern Looms:

- |                                |   |            |
|--------------------------------|---|------------|
| ➤ Automatic loom               | : | 200 sq.ft. |
| ➤ Shuttleless loom             | : | 400 sq.ft. |
| ➤ Wider width Shuttleless loom | : | 600 sq.ft. |

Not more than 40% of the loomage area will be considered for weaving preparatory like sizing machine, sectional warping machine, etc. and area for common facilities like testing lab, sample display room, office, worker's amenities, etc.

For infrastructure benefits:

- The beneficiary will not be eligible for any infrastructure benefits under any other scheme of Ministry of Textiles viz. SITP.

### 4.0 Eligibility:

The following general guidelines are prescribed for selection of beneficiaries under the Scheme:

1. Eligible beneficiaries would include weaver(s) and entrepreneur(s) associated with powerloom units, including master weaver(s), registered co-operative societies of powerloom weavers or in - group.
2. Group will consist of at least 4 weavers/ entrepreneur(s) having separate legal entity. At least either 48 Nos. of modern looms (auto/ single width shuttleless looms) or 24 Nos. of wider-width shuttleless looms with 4 persons in a group are to be installed in the Workshed. Each beneficiary should have at least 6 Nos. looms.
3. "Powerloom unit" would include weaving preparatory such as winding, warping, sizing etc. including stand-alone unit.
4. It is expected that the beneficiaries will make new investments for purchase of looms and preparatory machinery for installing in the Worksheds. Looms to be installed under this scheme should have a technology level of auto looms and above as per TUFs norms.
5. The scheme does not envisage more than 500 looms under one project proposal.

#### 5.0. Purchase of Land & Clearance

- 5.01 The EA is expected to be in possession of required land before submission of Project report to the Govt.
- 5.02 There should be industrial N.A, Layout approved, Building plan approved by specified authority and necessary approach road to the land.

#### 6.0 Operational Guidelines:

- 6.01 There would be an Executing Agency (referred as EA) for setting up of project under this scheme which may include the State Govt. or its agency, a registered Co-operative Society or a Company set up under companies act 1956, by a group of powerloom owners (minimum of four beneficiaries) or by the local powerloom association.
- 6.02 The EA would prepare a detailed project report, for the purpose of availing of subsidy under the scheme indicating the below salient features to the Powerloom Development Cell (PDC) at the Office of the Textile Commissioner, Mumbai, through its Regional Office of the Textile Commissioner with an advanced copy to PDC.
  - Executive summary of the Project
  - Nature of the EA: whether the Govt. Agency or Co-operative society or a company

- Details of the land-location, nature of ownership (owned/leased) and the cost.
- Details of beneficiaries, along with the Worksheds and looms proposed to be installed by each (Ref. Annexure- 1 for guidance)
- Component-wise cost of Project (Ref. Annexure-2 for guidance)
- Project funding patterns, indicating the shares of the EA, Central Govt. and others, and loans (Ref. Annexure –2 for guidance)
- Details of maintenance of the project including levy of user charges and repayment of loans. (Ref. Annexure –3 for guidance)
- Schedule of construction indicating month-wise plan with PERT/CPM.
- Layout of the Project Area indicating location of sheds, infrastructure such as road/water supply/electricity/drainage and other common facilities.

6.03 The schedule of rates of CPWD as in that state shall be used, as the basis, for arriving at the cost estimates of construction of powerloom building.

6.04 The beneficiary (ies) should give a written undertaking to the effect that the proposed powerloom building, for which assistance is being availed under the scheme, shall be used only for the purpose of installing looms and the preparatory machinery of benchmarked technology and shall not be utilized for any other purpose.

6.05 It is expected that a powerloom unit availing of subsidy should at least function for a minimum lock-in period of three years of same ownership from the date of disbursement of subsidy.

6.06 Project Approval Committee (PAC)

All projects under the scheme will be submitted to Project Approval Committee for its approval.

i) If GOI share /assistance is more than Rs. 1.00 crore.

|                  |   |
|------------------|---|
| Chairman         | - Secretary (Textiles)                    |
| Member           | - SS & FA                                 |
| Member           | - Joint Secretary (PL)                    |
| Member           | - Representative from Planning Commission |
| Member Secretary | - Textile Commissioner                    |

ii) If GOI share /assistance is less than Rs. 1.00 crore

- |                  |                                   |
|------------------|-----------------------------------|
| Chairman         | - Textile Commissioner            |
| Member           | - Joint Secretary (PL)            |
| Member           | - Representative from IFW         |
| Member Secretary | - Additional Textile Commissioner |

The Project Approval Committee may meet monthly but at least once in every quarter to review / assess the progress of the projects under the scheme.

6.07 The EAs will open an escrow account with any schedule bank and all payments for MWS will be made through escrow account which will be jointly operated by one member of EA and one member from Regional Office.

6.08 After receipt of this communication of approval of the project by PAC & opening of escrow account the beneficiary would take up the construction. Initial 30% advance will be given only if the land is mortgaged to Govt. of India on first charge. If the land is not mortgaged, 30% of the total GOI share will be released subject to the proportionate expenditure.

6.09 The EA should submit the claim for release of subsidy to the Textile Commissioner.

6.10 In case of any change in project profile, the approval of PAC is to be obtained.

7.0 Local Level Monitoring Committee (LLMC):

Local Monitoring Committee will be formed for each centre; which will include an officer from the Regional Office of the Textile Commissioner & local District Industries Centres, a representative of local P/L association and/or respective FI/banks). The eligible subsidy will be released only after getting the physical verification report of LLMC.

8.0 Financial Assistance & funding pattern

8.01 Under this Scheme, subsidy for construction of Powerloom building would be limited to 40% of the unit cost of construction subject to a maximum of Rs. 120/- per sq.ft.

8.02 The maximum permissible subsidy per beneficiary shall be restricted to Rs. 12.00 lakhs to cover installation of 24 Nos. of shuttleless looms @ of Rs. 120/- per sq.ft.

9.0 Release of subsidies.

The following schedule will be adopted for release of GOI share to the beneficiaries.

- 9.01 30% of the total GOI share in advance, after approval of the project by the PAC, provided the land is mortgaged to GOI. If land is not mortgaged, then no advance will be given, but prorata re-imbursement will be done in ratio of 30: 30: 40.
- 9.02 30% of the total GOI share after the utilization Certificate of 1st instalment and after the proportionate expenditure approved by a govt. approved architect & LLMC.
- 9.03 40% of the total GOI share will be released after the successful completion of the construction of MWS.

-----

**Annexure 1**

**Details of Beneficiaries**

| Sr. No | Name of Beneficiary | Category of beneficiary * | No. of looms proposed to be shifted from other location |      |              |       | No. of Looms proposed to be purchased |      |              |       | Approx. cost of looms to be purchased (Rs.lakh) | Sheds                 |        |                      | Product Profile | Nature of Business (Export/ domestic) |
|--------|---------------------|---------------------------|---|------|--------------|-------|---------------------------------------|------|--------------|-------|---|-----------------------|--------|----------------------|-----------------|---------------------------------------|
|        |                     |                           | Semi auto   | Auto | Shuttle less | Total | Semi auto                             | Auto | Shuttle less | Total |   | Size in Sq.ft. (each) | Nos ** | Total Area in Sq.ft. |                 |                                       |
| 1.     |                     |                           |   |      |              |       |                                       |      |              |       |   |                       |        |                      |                 |                                       |
| 2.     |                     |                           |   |      |              |       |                                       |      |              |       |   |                       |        |                      |                 |                                       |
| 3.     |                     |                           |   |      |              |       |                                       |      |              |       |   |                       |        |                      |                 |                                       |
| 4.     |                     |                           |   |      |              |       |                                       |      |              |       |   |                       |        |                      |                 |                                       |
| 5.     |                     |                           |   |      |              |       |                                       |      |              |       |   |                       |        |                      |                 |                                       |
| 6.     |                     |                           |   |      |              |       |                                       |      |              |       |   |                       |        |                      |                 |                                       |
| 7.     |                     |                           |   |      |              |       |                                       |      |              |       |   |                       |        |                      |                 |                                       |
| Total: |                     |                           |   |      |              |       |                                       |      |              |       |   |                       |        |                      |                 |                                       |

**Note:**

1. Please indicate the details of the beneficiary who will be setting up preparatory machinery, if any, at the bottom of the above table.
2. \* Please indicate whether the beneficiary is a powerloom weaver or master weaver or weaving entrepreneur
3. \*\* If more than one beneficiary are sharing one shed, write their names consecutively and indicate one shed jointly against them.

Details of Project costs & Financing

| Sr No | Items                              | Component/ Cost | * Financing (Rs. lakh) |                |                                  |       |
|-------|------------------------------------|-----------------|------------------------|----------------|----------------------------------|-------|
|       |                                    |                 | Own contribution       | Govt's Subsidy | Loan from Financial Institutions | Total |
| 1     | 2                                  | 3               | 4                      | 5              | 6                                | 7     |
| 1.    | Land                               |                 |                        |                |                                  |       |
|       | a) Total area in acres             |                 | N.A.                   | N.A.           | N.A.                             |       |
|       | b) Cost per acre                   |                 | N.A.                   | N.A.           | N.A.                             |       |
|       | c) Total Cost:                     |                 |                        | N.A.           |                                  |       |
| 2.    | Worksheds                          |                 |                        |                |                                  |       |
|       | a) Total No. of sheds              |                 | N.A.                   | N.A.           | N.A.                             |       |
|       | b) Total area (sq.ft.)             |                 | N.A.                   | N.A.           | N.A.                             |       |
|       | c) Cost of construction per sq.ft. |                 | N.A.                   | N.A.           | N.A.                             |       |
|       | d) Total cost:                     |                 |                        |                |                                  |       |
| 3.    | Infrastructure                     |                 |                        |                |                                  |       |
|       | a) Internal roads                  |                 | N.A.                   | N.A.           | N.A.                             |       |
|       | ➤ Road area in sq.mtrs.            |                 | N.A.                   | N.A.           | N.A.                             |       |
|       | ➤ Cost per sq. mtr.                |                 | N.A.                   | N.A.           | N.A.                             |       |
|       | ➤ Total Cost                       |                 |                        |                |                                  |       |
|       | b) Electricity supply              |                 |                        |                |                                  |       |
|       | ➤ Load in M.W                      |                 | N.A.                   | N.A.           | N.A.                             |       |
|       | ➤ *** Capital Cost.                |                 |                        |                |                                  |       |
|       | c) Water supply                    |                 |                        |                |                                  |       |
|       | ➤ Quantity in K.L.                 |                 | N.A.                   | N.A.           | N.A.                             |       |
|       | ➤ # Total Cost                     |                 |                        |                |                                  |       |
|       | d) Drainage                        |                 |                        |                |                                  |       |
|       | ➤ Length in mtrs.                  |                 | N.A.                   | N.A.           | N.A.                             |       |

| 1  | 2  | 3 | 4    | 5    | 6    | 7 |
|----|--|---|------|------|------|---|
|    | ➤ Cost per running mtr   |   | N.A. | N.A. | N.A. |   |
|    | ➤ Total Cost:  |   |      |      |      |   |
|    | e) Others (specify)  |   |      |      |      |   |
|    | ➤  |   |      |      |      |   |
|    | ➤  |   |      |      |      |   |
|    | ➤  |   |      |      |      |   |
|    | f) Total infrastructure cost (a+b+c+d+e):                        |   |      |      |      |   |
| 4. | Looms & Preparatory machinery                                    |   |      |      |      |   |
|    | a) Number of looms proposed to be shifted from existing location |   | N.A. | N.A. | N.A. |   |
|    | b) Number of looms proposed to be purchased                      |   | N.A. | N.A. | N.A. |   |
|    | c) Total No. of looms  |   | N.A. | N.A. | N.A. |   |
|    | d) Total cost of looms at (b) above:                             |   |      |      |      |   |
|    | e) ** Preparatory machinery                                      |   | N.A. | N.A. | N.A. |   |
|    | f) Number of machinery   |   | N.A. | N.A. | N.A. |   |
|    | g) Total Cost:   |   |      |      |      |   |
|    | h) Total Cost of machinery (d + g)                               |   |      |      |      |   |
| 5. | Grand Total (1+2+3+4):   |   |      |      |      |   |

Note:

1. The details of subsidy from the Govt. to be indicated wherever applicable i.e. workshops, machinery and infrastructure.
2. \* Please indicate against the total of each component.
3. \*\* Please indicate the nature of preparatory machinery.
4. \*\*\* Only capital cost be included: transformer, distribution lines, generation cost (if applicable). Refundable deposit to Electricity Board should not be included
5. # Only capital cost such as bore well, over head tank and distribution lines shall be taken.
6. N.A – Not Applicable.



Annexure - 3Details of expected annual contribution by the beneficiaries towards maintenance & repayment of loans

| Sr. No. | Component   | Amount ( in Rs.) |        |        |        |        |
|---------|---|------------------|--------|--------|--------|--------|
| 1.      | Details of costs of maintenance/year  |                  |        |        |        |        |
|         | a) Worksheds  |                  |        |        |        |        |
|         | b) <u>Infrastructure</u>  |                  |        |        |        |        |
|         | ➤ Supply of power   |                  |        |        |        |        |
|         | ➤ Supply of water   |                  |        |        |        |        |
|         | ➤ Maintenance of roads & drainages  |                  |        |        |        |        |
|         | c) Watch & ward   |                  |        |        |        |        |
|         | d) Total Costs  |                  |        |        |        |        |
|         | e) Total area of worksheds  |                  |        |        |        |        |
|         | f) Maintenance Cost/Sq.ft. of workshed area per year                              |                  |        |        |        |        |
| 2.      | <u>Loan Repayment</u>   |                  |        |        |        |        |
|         | * a) Total loan borrowed  |                  |        |        |        |        |
|         |   | Year 1           | Year 2 | Year 3 | Year 4 | Year 5 |
|         | Annual Repayment with interest  |                  |        |        |        |        |
|         | c) Annual payment to be done by beneficiary per sq.ft. of workshed area year-wise |                  |        |        |        |        |

\* This is the loan amount borrowed by the EA for construction of worksheds and development of common infrastructure, if any.