

REPORT OF CLUSTER SCOPING EXERCISE

for

HANDLOOM ARTISANAL CLUSTER

in

DINDIGUL DISTRICT, TAMIL NADU

submitted

to



by

TAMIL NADU STATE RURAL LIVELIHOODS MISSION



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EXECUTIVE SUMMARY

This report from the Cluster Scoping Exercise, in March 2024, for the handloom weaving industry in Dindigul district of Tamil Nadu recommends that a sectoral cluster in handloom weaving be promoted in Dindigul, covering three or four selected blocks (Athoor, Dindigul, and Palani – details in Annexure).

The cluster scoping exercise was based on the Mission in the district; the team has identified almost three hundred units.

In the three locations visited, handloom weaving has been the main source of wage employment for the population involved in pre-loom and on loom activities.

As in the past, the technically highly skilled weavers today depend greatly on the master weavers' businesses. The photos presented at the end of this report are representative of the strikingly beautiful sarees the weavers create with painstaking labour.

However, the master weaver businesses themselves have found the going challenging and register lower volumes in sales every year. Furthermore, the weaver cooperative societies also face their own challenges.

As a result of the system-level challenges (both in the traditional master weaver business model and in the cooperative business model), the skilled weavers find their livelihoods have shrunk.

The challenges have pushed the few hundred individual weavers to the brink, in their uphill struggle to sustain themselves and the very craft that has been their sustenance, across generations.

The adverse impacts are expressed in terms of:

1. Reduced number of days of work per month (the scoping study found that this down to half of pre-COVID levels)
2. Reduced wages per day for highly skilled work (often, less than even the MNREGA daily rate which is a demand-based programme for unskilled labour)
3. Stagnant wages (no annual revision, as before; now, wages are revised once in three years)
4. Reduced benefits (no longer can weavers expect to get advances or an annual festival bonus from the master weaver because the business has shrunk)

The extent of these adverse impacts and the coping mechanism of the weavers are discussed in the report.

Both weavers and the master weavers independently shared strikingly similar narratives of the current state of the weaving cluster in Dindigul. They also expressed the hope that an intervention from the government can make a difference.

The recommendation of the scoping study is to design a cluster promotion intervention in which marketing gets significantly higher than normal investments, as this is the most critical challenge in the handloom woven product category. The entire chain of adverse events has been triggered by macro changes including GST and changing market preferences. A successful market creation effort will solve the biggest constraint and feed the creation capacity of the weavers.

Such an intervention should address two performance indicators:

1. Generating incremental demand
2. Maximising weavers' share in consumer rupee

In this connection, the National Handloom Development Corporation's report commissioned in 2016, titled '[Market Research for promotion of India Handloom brand](#)' makes a number of relevant observations and recommendations that are suitable for the cluster promotion effort.

With a highly market-driven intervention, the handloom weaving cluster in Dindigul district can engage the weavers and make a difference in the following ways:

1. **Supplement** the number of days that the master weaver business model is able to offer the weavers presently; note that the intervention cannot and must not seek to replace the master weaver business model who have decades of knowhow that cannot be ignored or replaced; initially, the cluster development effort must be visualised and built as a supplementary model
2. **Reward** the weavers with better per day wages than the master weaver business model is able to pay (for the number of additional days that the cluster business model/collective business model is able to create)
3. **Protect** the weavers through a model in which the collective enterprise facilitates access to social security coverage

The cluster promotion efforts will have to support the handloom weavers to emerge from the current downward spiral they are trapped in.

Only after this is done well would it be possible to show the younger generation that weaving can once more a rewarding source of livelihood.

SECTION 1: INTRODUCTION TO THE ARTISANAL CLUSTER

The following table presents the details of the mat making cluster:

TITLE	DETAILS
Sector of the cluster	Handloom woven sarees
Products made in the cluster	Product range includes: 1. Artificial silk sarees 2. Pure silk sarees
Location of the cluster	Three blocks in Dindigul district, Tamil Nadu
Previous interventions	Cooperative societies existing in different locations within the cluster
Name, designation and email ID of the nodal SMMU staff responsible for the proposed sectoral cluster	Mr. V. Palanisamy State Programme Manager (SPM) tnsrmlive@gmail.com

SECTION 2: NATURE OF THE ARTISANAL CLUSTER

This section summarises the key findings about the sectoral cluster, gained from the scoping exercise.

Handloom in Tamil Nadu and Dindigul

It is remarkable that Tamil Nadu, the country's most industrialised state along with Maharashtra, is also home to the fourth largest population, counting both handloom weavers and allied workers (total: 2.44 lakh workers), according to the 4th All India Handloom Census, which was carried out in 2019-20. Allied workers handle pre-loom and post-loom activities.

According to the Census, 66.3 per cent of weaver households earn less than Rs. 5,000 a month. In the Dindigul cluster surveyed for the scoping exercise, the weavers reported that they were better off at this time. In the four years since – with COVID-19 and the impact of GST – the weavers in Dindigul report that their incomes have dropped significantly (as a combination of fewer days of work and depressed wages).

Importantly, when the eligible households were identified for the SRLM, these households which were experiencing better days, were left out. Now, with the series of challenges, these families have experienced a drop in income levels, making them suitable for financial inclusion and livelihoods support in the NRLM. Thus, in the cluster development, many of the weavers will have to be also enrolled in SHGs.

Among the 26.73 lakh weavers enumerated, the average number of person days of engagement in weaving activity is 208 days in the past one year. In the Dindigul cluster too, the number of days has come down to around 200 days.

According to the National Cooperative Development Corporation (NCDC), as on 31.03.2023, [Tamil Nadu had 1,384 cooperative societies under the Commissioner of Handlooms and Textiles](#). This includes all cooperatives - COOPTEX, Handloom, Weavers, Spinning, Textile etc.

[The Department of Handlooms, Government of Tamil Nadu placed the number of functioning cooperative societies at 1,107 as on 31.03.2022.](#)

The Tamil Nadu Department of Handloom's map of Handloom Clusters in Tamil Nadu is presented in the following page.

As the map shows, the Dindigul handloom cluster is known for Art Silk Sarees and Cotton Lungies.

Other products made across Tamil Nadu handloom clusters include Silk Sarees, Kora Sarees, Cotton Sarees, Jamakaalam, Curtains, Table Cloth, Towels, Bedspreads and Bedsheets, Silk Dhoti, Silk Angavastram, Silk Shirts, and Cotton Dhotis.

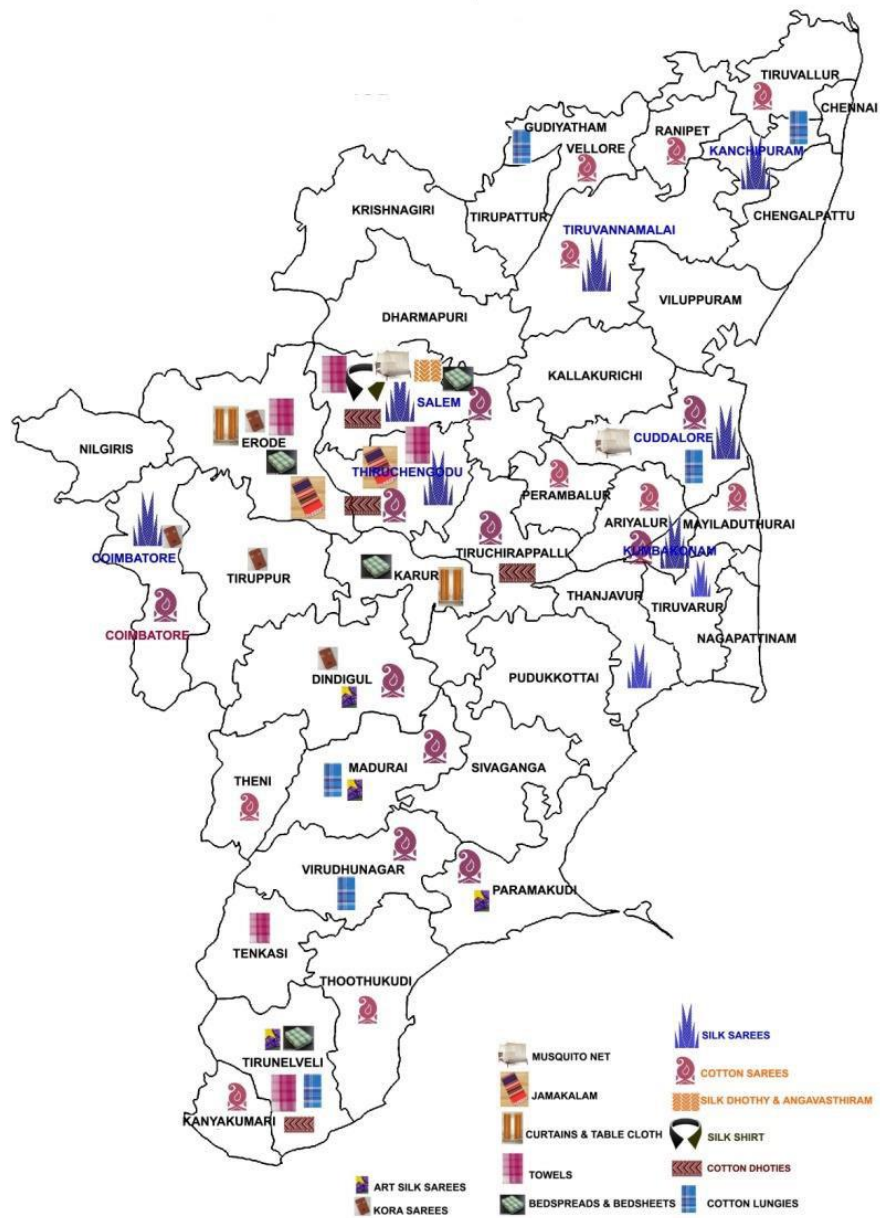
In the Dindigul cluster, the Kora Saree is one of the main products woven by the weavers.

Handloom sector institutions established by the Government of Tamil Nadu include:

1. The Tamil Nadu Handloom Weavers' Cooperative Society Limited
2. The Tamil Nadu Handloom Development Corporation Limited
3. The Tamil Nadu Cooperative Textile Processing Mills Ltd.
4. Tamil Nadu Zari Limited, Kanchipuram

The Weavers Service Centre network, functioning under the Development Commissioner of Handlooms, Ministry of Textiles, Government of India, has three centres in Tamil Nadu – at Chennai, Kancheepuram, and Salem. Further, the Weavers Service Centre also has a "Handlooms Design Resource Centre" at Kancheepuram.

[Handloom Clusters in Tamil Nadu](#) (linked to source)



Weaver Livelihoods

Dindigul is known for its handloom industry. The Saurashtrian community which settled in Tamil Nadu leads the cluster in making cotton and silk sarees that are lightweight, decorated with zari work and suitable for different occasions.

The Chinnaalapatti saree from Chinnaalapatti in Dindigul is a popular type.

The weavers in Dindigul weave beautiful traditional designs with striking colour combinations and wide contrast borders.

Stakeholders Consulted for Scoping Study

For the scoping study in March 2024, the NRP, with the support of the District Mission team, visited and held detailed group discussions and interviews with key stakeholders – weavers and master weavers. During the survey, it was observed that both pit looms and frame looms are in operation.

In the weaver community, the scoping study had group discussions and individual discussions with:

1. Weavers in Adiyanoothu, Nallaampatti
2. Weavers in Sirumani
3. Weavers in Seeval Saragu, Athoor
4. Weavers in Peddanayakkanpatti

In the master weavers community, the scoping study had individual discussions with:

1. Shri S. S. Sivaram and Shri S. S. Balaji of Subham Fabrics, in Nagal Nagar, Dindigul
2. Shri Subramani and Shri Vasanth, Kalasans Fabrics, in Nagal Nagar, Dindigul

Dindigul Handloom Cluster – Estimating the Number of Units

Number and Type of Units Proposed

It is proposed that the cluster can serve 250-300 units.

Employment Potential

Considering a large cluster spread across three blocks of Dindigul district, the cluster can be considered to serve at least 300 weavers. If the cluster development can give each weaver at least 50 additional days of work, the employment potential is 15,000 work days annually. Overall, this would take the number of work days per year from around 200 to 250, an increase of 25%, which would be an appreciable improvement in the handloom sector. It is to be reiterated that the model should not seek to displace the traditional master weaver led business model. This increase will in turn create additional employment for the allied workers as well.

Estimating Production Volume

The production volume depends on the fabric that is produced.

Assuming the cluster produces sarees, the additional volume would be:

A. Weavers engaged	300
B. Additional days	50

C. Sarees produced in additional days (conservative estimate)	15
D. Total additional volume produced (= A x C) (sarees)	4500

However, it is strongly recommended that, within the project duration, the cluster development initiative should create capabilities for production of high value fabric for other garmenting and other furnishing possibilities, to ensure:

1. Diversification of product portfolio to create new markets and reduce dependency on one product category
2. Balance in products, to avoid the trap of seasonality-based demand

Accordingly, in the DSR, the IA must estimate the mix of sarees and other products, to estimate the likely production volume and employment days (which depends on the product mix).

This strategy would:

1. Increase the capacity utilisation, as many looms remain idle for longer periods now; for instance, weavers with eight looms are able to operate only four looms, as the demand is just not enough
2. While creating additional demand for sarees will improve capacity utilisation of looms already in operation, with time, diversification into contemporary product lines will create opportunities for the looms that are presently idle all through the year

Seasonality

The handloom sarees in the Dindigul cluster witness a clear seasonality. The festive season creates opportunity from September till January or February.

Advantages of the Cluster

The scoping exercise reveals that Dindigul handloom weaving cluster has the following advantages:

1. **Technical Skill:** The weavers are technically highly skilled
2. **Commitment:** As the weavers' identity is entirely linked to their profession, their level of commitment to weaving is very high. For instance, while farmers or other groups learning weaving, weavers do not cross over to other vocations/occupations. During the survey, it was discovered that male weavers from one location were seasonally going to Kerala to work in the weaver societies there. This is an unusual and recent development in the handloom sector. Upon enquiry, it was gathered that the wages paid in Kerala are higher. Further, the members are also to earn a bonus, which they are no longer able to expect in their home cluster in Dindigul.

3. **Sense of Artistic Pride:** The weavers have a strong sense of pride in their craft-based occupation

Challenges in the Cluster

The Dindigul handloom weaving cluster faces the following challenges:

1. **Delayed Payments:** Earlier, when the weaver used to complete one lot of production and deposit it with the master weaver in Dindigul, they would get paid immediately; in the last four years, this has changed and payments are delayed, forcing the weavers to borrow at high interest rates to manage their cash flows
2. **Market Demand:** The market is challenging, as demand for handloom clothing, accessories, and other product lines needs to be created carefully to translate into sustainable demand
3. **Price:** In comparison to powerloom products, handloom products are at least two times more expensive (in some cases, three times as expensive). Hence, the handloom product will never have the kind of mass demand that is seen for inexpensive products. The same price point is also a deterrent for a largely price conscious market in which uninformed buyers compare handloom products with imitation products (see next point)
4. **Imitation Products:** Increasingly, a large percentage of products sold/bought as handloom are really not handloom. This is because powerloom products have become much more sophisticated in matching the handloom look and copying entire designs; as a result, many consumers are unable to differentiate between an authentic handloom product and an imitation product
5. **Limited Product Category:** The weavers are used to creating/weaving only one kind of product – namely, the saree

Institution

The suitable collective model for the sectoral cluster would be:

Non-farm Producer Organisation (PO) interlocked with wage workers who handle the different operations (pre, during, and post). The handloom weaving unit owners can be full members and the allied members can be associate members (also eligible for wages and bonus, as the primary or full members).

Benefits from Institution

The benefits for the cluster are:

1. Accessing affordable working capital, with savings in interest cost
2. Aggregated buying of raw materials, with cost savings in material cost and transportation cost

3. Organised workflow processes in modern infrastructure including storage structures for raw materials and finished goods and for centralised processing activities
4. Adoption of Decentralised Renewable Energy (DRE) solutions in common infrastructure and individual units
5. Design, new product development, and innovation
6. Unity in price setting
7. Branding
8. Identifying and developing new markets offline and online
9. Integration of social security coverage for primary and allied workers

Proposed Salary of the Entrepreneurs

Estimating Increase in Income

Presently, weavers earn around 950/- per saree. An increase of approximately 25% (i.e., Rs. 250/-) would make the wage per unit/saree Rs. 1,200/-. This would give each weaver an additional annual income of Rs. 18,000/- (which is an income of 2 to 2.5 months).

At the level of the cluster, this would represent a total additional income of Rs. 54 lakhs, assuming a collective enterprise of 300 weavers is promoted.

Other Weaving Clusters

As is well known, handloom woven sarees are made in clusters spread across the country. Five states – West Bengal (35.3%), Tamil Nadu (15.6%), Andhra Pradesh (13%), Assam (7.8%), and Tripura (7%) – account for 78.6% of handloom sarees produced in the country.

SECTION 3: MARKET

The markets for the cluster's products are divided into:

1. Pure silk sarees
2. Art silk sarees (or Kota saree)

These sarees are very popular in North Indian markets.

SECTION 4: TECHNICAL SUPPORT

As mentioned earlier, the Weavers Service Centre network, functioning under the Development Commissioner of Handlooms, Ministry of Textiles, Government of India, has three centres in Tamil Nadu – at Chennai, Kancheepuram, and Salem. Further, the Weavers Service Centre also has a “Handlooms Design Resource Centre” at Kancheepuram.

In addition, there are many design institutes that can be approached to provide technical support. In Dindigul, Gandhigram Rural Institute is a well-known institution that has done extensive work in the field of handloom development.

SECTION 5: SOCIAL AND ENVIRONMENTAL CHALLENGES

The key challenges that the cluster faces are:

1. Social: Handloom weaving is very painstaking involving long hours of constant sitting in one place and this brings related hazards.
2. Gender: The cluster does not have any gender related issues, as men and women perform the same operations.
3. Infrastructure: As the weavers have become used to a decentralised model of production, they do not see the lack of common or shared infrastructure as an issue. However, a collective enterprise with shared infrastructure will definitely benefit its members.
4. Risks: Market risks are the greatest risk. As the cluster has essentially been applying the same skill, albeit of a high level, to weaving only one product – the saree – the changing saree market will leave them facing greater uncertainty. The ways to overcome this are: i) create direct access to saree buyers and ii) acquire the capability to create entirely new product lines. Taxation of handloom products has already made the pricing of handloom sarees even more forbidding for potential buyers.

SECTION 6: COMPLEMENTARITIES

The Office of the Development Commissioner for Handlooms, Ministry of Textiles is implementing following schemes for development of handlooms and welfare of handloom weavers across the country:

1. National Handloom Development Programme (NHDP)
2. Comprehensive Handloom Cluster Development Scheme (CHCDS)
3. Handloom Weavers' Comprehensive Welfare Scheme (HWCWS)
4. Yarn Supply Scheme (YSS)

Under the above schemes, financial assistance is provided for raw materials, purchase of looms and accessories, design innovation, product diversification, infrastructure development, skill upgradation, lighting units, marketing of handloom products and loan at concessional rates.

A. National Handloom Development Programme (NHDP)

- Block Level Cluster:** Introduced in 2015-16 as one of the components of National Handloom Development Programme (NHDP). Financial assistance up to Rs. 2.00 crore per BLC for various interventions such as skill upgradation, Hathkargha Samvardhan Sahayata, product development, construction of workshed, project management cost, design development, setting up of common facility centre (CFC) etc. is provided. Besides, financial assistance up to Rs. 50.00 lakh is also available for setting up of one dye house at district level. The proposals are recommended by the State Government.
- Handloom Marketing Assistance** is one of the components of National Handloom Development Programme. In order to provide marketing platform to the handloom agencies/weavers to sell their products directly to the consumers, financial assistance is provided to the States/eligible handloom agencies for organising marketing events in domestic as well as overseas markets.
- Weavers' MUDRA Scheme:** Under the Weavers' Mudra Scheme, credit at concessional interest rate of 6% is provided to the handloom weavers. Margin money assistance to a maximum of Rs. 10,000 per weaver and credit guarantee for a period of 3 years is also provided. **MUDRA portal** has been developed in association with Punjab National Bank to cut down delay in disbursement of funds for margin money and interest subvention.
- HATHKARGHA SAMVARDHAN SAHAYATA (HSS):**

Hathkargha Samvardhan Sahayata (HSS) was introduced on 1st December 2016 with an objective to provide looms/accessories to the weavers to

enhance their earnings through improved productivity and quality of the handloom products. Under the scheme, 90% of the cost of loom/accessory is borne by the Government of India while remaining 10% is borne by the beneficiary. The Government of India's share is released directly in the Bank account of the beneficiary through designated agency.

v. **EDUCATION OF HANDLOOM WEAVERS AND THEIR CHILDREN:**

Ministry of Textiles has signed Memorandums of Understanding with Indira Gandhi National Open University (IGNOU) and National Institute of Open Schooling (NIOS) to secure educational facilities for the weavers and their families. NIOS offers Secondary and Senior Secondary level education with specialized subjects on design, marketing, business development, etc. through distance learning mode for handloom weavers, whereas IGNOU offers continuing education programs through accessible and flexible learning opportunities relevant to the aspirations of handloom weavers and their children for career progression.

Ministry of Textiles is providing reimbursement of 75% of the fee towards admission to NIOS/IGNOU courses in case of SC, ST, BPL, and Women learners belonging to handloom weavers' families.

- vi. **India Handloom Brand-** During the celebration of 7th August 2015 as National Handloom Day, 'India Handloom' Brand was launched by Hon'ble Prime Minister for branding of high-quality handloom products. It promotes production of niche handloom products with high quality, authentic traditional designs with zero defect and zero effect on environment. Since its launch, 1232 registrations have been issued under 122 product categories and sale of Rs. 833.69 crore has been generated.

Initiatives with various leading brands has been undertaken to bring out a separate range of handloom garments in their brand.

- vii. **E-COMMERCE-** In order to promote e-marketing of handloom products, a policy frame work was designed and under which any willing e-commerce platform with good track record can participate in online marketing of handloom products. Accordingly, 23 e-commerce entities have been engaged for on-line marketing of handloom products. Total sales of Rs. 71.95 crore has been reported through the online portal.
- viii. **URBAN HAATS** are set up in the big towns/metropolitan cities to provide adequate direct marketing facilities to the craft persons/weavers and eliminate middle agencies. 38 such Urban Haats have been sanctioned across the country so far.

B. Comprehensive Handloom Cluster Development Scheme:

The Comprehensive Handloom Cluster Development Scheme (CHCDS) is implemented for development of Mega Handloom Clusters covering at least 15000 to 25,000 handlooms and financial assistance as GoI share from Rs. 40.00 to Rs.70.00 crore is in a period of 5 years. 8 mega handloom clusters taken up as announced in the Budgets i.e. Varanasi, Sivasagar (2008-09), Virudhunagar, Murshidabad (2009-10), Prakasam & Guntur districts and Godda & neighbouring districts (2012-13), Bhagalpur & Trichy (2014-15).

Under the scheme, components like conducting Diagnostic Study, engaging Designer, Product Development, Corpus for raw material, Construction of Worksheds (for BPL/SC/ST/Women weavers), Skill up-gradation etc. are fully funded by Government of India, while the components like Technology up-gradation, lighting units funded 90% and other common infrastructural projects like Design Studio, Marketing Complex, Value Addition Centres, Publicity etc., are funded by the GOI to the extent of 80%.

C. Handloom Weavers' Comprehensive Welfare Scheme

Weavers Comprehensive Welfare Scheme (HWCWS) is providing life, accidental and disability insurance coverage under the components Pradhan Mantri Jivan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Converged Mahatma Gandhi Bunkar Bima Yojana (MGBBY).

D. Yarn Supply Scheme:

Yarn Supply Scheme is being implemented throughout the country to make available all types of yarn at Mill Gate Price. The scheme is being implemented through National Handloom Development Corporation. Under the Scheme freight is reimbursed and depot operating charges @2% is given to depot operating agencies. A component of 10% price subsidy also exists on hank yarn, which is applicable on cotton, domestic silk, wool and linen yarn with quantity caps.

TAMIL NADU GOVERNMENT

As part of its New Integrated Textile Policy 2019, Tamil Nadu gives the following support and incentives to the handloom sector:

1. Scheme for free supply of electricity to Handloom weavers households @ 200 units bi-monthly to weavers' households (subsequently extended to 300 units bi-monthly).
2. Savings and Security Scheme with State contribution of 8 paise per rupee of wage earned by the Co-operative handloom weavers to encourage savings habit.
3. Family Pension Scheme of Rs. 1000 per month for the nominee of the co-operative handloom weaver deceased before attaining the age of 60 years.
4. Old Age Pension Scheme of Rs. 1000 per month for the cooperative handloom weaver on attaining the age of 60 years.
5. Handloom Support Program to support innovation and product diversification in the handloom sector with an allocation of Rs. 40 crores.
6. Interest subsidy for Primary Handloom Weavers Co-operative Societies enhanced from 4% to 6% to reduce the interest burden.
7. Increase of Rebate Subsidy Scheme allocation for the co-operative sector from Rs. 80 crores to Rs. 150 crore per year to promote the sale of handloom cloth

SUPPORT PROVIDED

As per data available in the website of the Development Commissioner for Handlooms, under the Comprehensive Handicrafts Cluster Development Scheme, four cooperative societies in Dindigul have received support:

1. M.H. 147 Kamala Nehru Weavers Cooperative Society, Athoor
2. A.N. H.3 Sivasakthi Weavers Cooperative Production & Sales Society Ltd., Dindigul
3. A.N. H.12 Sri Jeevajothi Weavers Cooperative Production & Sales Society Ltd., Dindigul
4. A.1590 Palani Handloom Weavers Cooperative Society Ltd., Palani

The above data was accessed from the link labelled 'State-wise Details of Handloom Cluster Sanction Under Various Schemes During 2006-07 to 2021-22', under the Main Menu link Handloom Clusters of the Development Commissioner Handlooms website.

SECTION 7: CALCULATING FINANCIAL FEASIBILITY OF THE SECTORAL CLUSTER

This section presents the calculation of the financial feasibility of promoting a sectoral cluster for handloom weaving in Dindigul.

Sl. No	Details	Remarks
I	Name of the Sector	Handloom weaving cluster in Dindigul district
II	Name of the State	Tamil Nadu
III	Existing Situation	
1	Date (when the analysis was done)	March 2024
2	Total number of possible enterprises	300
3	Is there an existing successful enterprise / benchmark enterprise, of the sector in the state	No (the units are essentially production units and operate as labour for hire, paid wages at the end of completion of one round) As such, these are not individual enterprises
4	If yes, has the P&L and Balance sheet for the successful enterprise been made for a minimum period of 3 months?	Not applicable
5	Have the financial statements for a benchmark / successful enterprise attached?	Not applicable
6	Can the benchmark P&L be replicated in the state?	Not applicable
7	If no, has a model P&L been prepared which can be implemented in the state?	Not applicable
8	Is the model P&L which is replicable attached?	Not applicable
IV	Business KPI's of the enterprises	

1	No. of members involved per enterprise - as owners (Ideally all members should be owners)	Two or three (weaving and allied activities)
2	Average sale per month (earnings)	Rs. 8 lakhs per month, for a collective enterprise of 300 weavers
3	Gross margin	30%
4	Net profit as % of total sales	10%
5	Credit sales as % of total sales	95%
6	Finance cost as % of total sales	15%-20%

7	Break - even sales (Rs)	60 lakhs
8	Net profit of the enterprise	Rs. 10 lakhs
9	Net profit per owner member	Rs. 3,300/-
10	Wages earned per owner member per year	Rs.
11	Number of days the owner member worked in the month	50 additional days in the year
12	Average per diem per owner member	Rs. 1100/- to 1200/-
13	Total investment needed for the enterprise	A minimum of Rs. 1 crore
14	Capital investment	Rs. 25-30 lakhs
15	Working capital investment	Rs. 20 lakhs
16	Closing stock (in no. of days sale)	One to two months
17	Creditors (in no. of days sale)	30 days
18	Debtors (in no. of days sale)	45 days
V	Expected Improvements due to Intervention in the Cluster	
1	Thematic Interventions - planned (Yes / No)	Yes
2	Training and compliances (Yes / No)	Yes
3	Providing access to subsidised rental property (Yes / No)	No

4	Providing access to sales orders (Yes / No)	Yes
5	Common branding (Yes / No)	Yes
6	Improving productivity (Yes / No)	No
7	Improving raw material procurement costs (Yes / No)	Yes
8	Others - please specify	1. Working capital 2. Improving product mix for higher margins
9	Expected turnover of the entire cluster enterprises	Not applicable
10	Expected cost of the TSA for the project period	Rs. 2 crores
11	Expected total cost of the project (Total Investment in all enterprises (fixed + working capital) + TSA cost)	Rs. 4 crores
12	Expected total wages earned by the owner members (for the project period)	Rs. 5 crores
13	Expected net profits (after wages) of all the enterprises in the cluster during the project period	Rs. 1 crore, over a four-year period
14	Expected benefit cost ratio	1.25
15	Sales per Rupee invested in the project	Rs. 2.5
16	Unit cost (project cost/total owner members)	Rs. 1,33,333

1. Expected output from the interventions

Parameters	Base year at the time of scoping study	Project end period (projected)	Percentage change
No. of community members involved per enterprise	287	300	4.5%
Wages earned per community members per year (owners)	900	1200	33%
Annual turnover of the entire enterprise cluster	Not applicable (NA)	Rs. 10 crores	NA
Expected net profits (after wages) of all the enterprises in the cluster	Not applicable (NA)	Rs. 1 crore	NA

2. What is the estimated benefit-cost ratio of the cluster in the realistic case scenario at the end of the project period?
- Total wages earned by women SHG members in the cluster: Rs. 5 crores
 - Profit earned in the cluster: Rs. 1 crore
 - Project cost: Rs. 4 crores
 - Cost benefit ratio: 1.25
3. Other financial benefits due to the implementation of the cluster.

Note: Details of the Benchmark enterprises (those enterprises which the SRLM desires to replicate) and Model enterprise ('model' of the enterprise that the SRLM will be able to implement in the state) also to be captured during the scoping study.

SECTION 8: WAY FORWARD

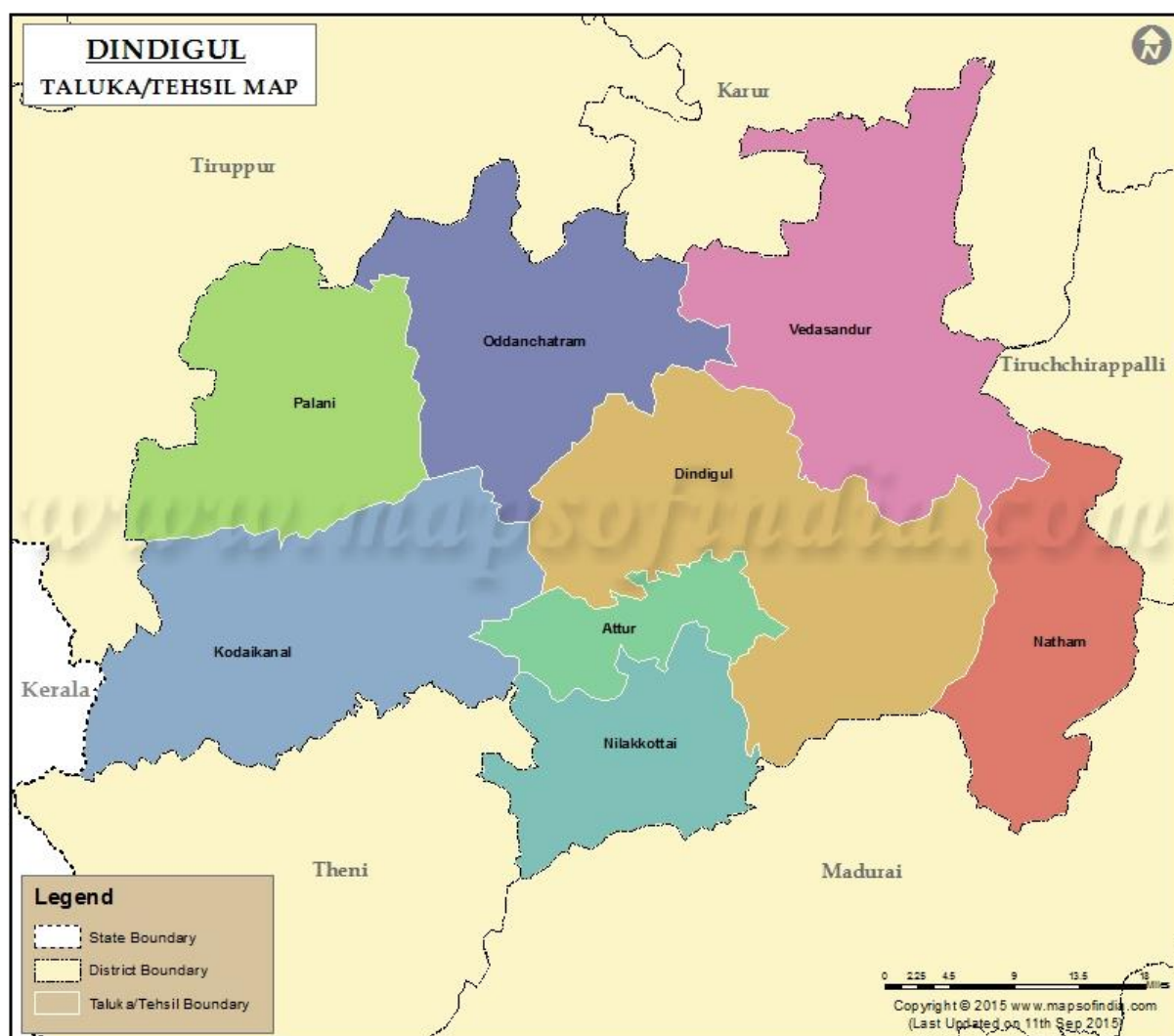
From the cluster scoping exercise, the way forward may be summarised in terms of the following interventions:

1. Overarching intervention: The overarching intervention will be the mobilisation of interested handloom weaving households and interested allied workers into a Producer-owned Enterprise (POE) with full membership and associate membership, respectively; the associate membership will give the workers better wages and also a bonus, as per the collective enterprise's policies to be determined.
2. Capability building for producer organisation leadership: Significant investments have to be made in the enterprise and business capabilities of the Producer-owned Enterprise (POE).
3. Common infrastructure creation: Establishment of infrastructure for storage of *yarn*, packing material, and finished goods
4. Brand development: The Dindigul saree brand needs to be invested in, to create brand recall.
5. Credit linkage: Access to adequate and affordable working capital will be an important intervention.
6. Market linkage: The cluster intervention must also support the POE to ensure a meaningful share of business is generated by creating entirely new markets, which supplement the markets which are built and nurtured by the master weavers.
7. Development of product design capability: The cluster thus far has limited itself to making sarees with high price points (both the art silk saree and the pure silk saree). The weavers must be supported to weave sarees with new designs that will sell very well in the market
8. Product diversification: The cluster must be handheld to assess and pursue opportunities in creating new product lines – such as dress material, modern garments, bed linen, curtains etc.
9. Developing B2C market: The POE must also start reaching consumers directly, selling directly higher end products to realise a higher share of the consumer's rupee.

9. ANNEXURES

ANNEXURE 1 – MAPS

DINDIGUL DISTRICT



ANNEXURE 2 – PHOTOS











ANNEXURE 3 – PARTIAL LIST OF HANDLOOM WEAVING HOUSEHOLDS (MEMBERS & NON-MEMBERS)

Consolidated Details of Handloom Weavers in the Dindigul Handloom Weaving Cluster						
Sl. No.	Name of the Block	Name of the Panchayat	Name of the Village	Total No of the weavers		
				SHG Members	HHS Members / Non SHGs members	
1	Athoor	Kalikampatti	Kalaimagal colony	53	0	
			Gandhiji colony	34	0	
		Seevalsaragu	J. Pudhukottai	11	0	
			Anjugam colony	2	0	
2	Dindigul	Balakrishnapuram	Anumanthanagar	3	1	
		Adiyanuthu	Nallampatti	12	10	
			Yakappanpatti	2	0	
			Veadapatti	1	66	
3	Palani	Pethaneicanpatti	Pethaneicanpatti	24	24	
		Andipatti	Andipatti	2	2	
4	Oddanchatram	Kalanjipatti	Kalanjipatti	5	5	
5	Thoppampatti	Akkaraipatti	Narikalapatti	8	0	
		Kolumakondan	Kolumakondan	12	10	
Total				169	118	

ANNEXURE 4 – REFERENCES

1. [Fourth All India Handloom Census 2019-20](#): Full Report, Development Commissioner Handlooms
2. [Fourth All India Handloom Census 2019-2020](#): Highlighted Findings, PARI
3. [Department of Handlooms, Government of Tamil Nadu](#)
4. [Report on Market research for promotion of India Handloom brand](#), National Handloom Development Corporation
5. [Note on Handloom Sector](#): Development Commissioner Handlooms, with data up to 31st December, 2023

ANNEXURE 5 – ACKNOWLEDGEMENTS

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1. Mr. Muthupandi, APO LH, Dindigul
2. Mr. Chellapandi, DRP, Dindigul
3. Ms. Mumtaz, BMM, Dindigul
4. Mr. Sivasubramani, BMM, Athoor