



## **ABSTRACT**

Handlooms and Textiles Department - Tamil Nadu Textile Corporation Limited, Coimbatore – Installation of shuttleless looms in Aruppukottai and Coimbatore (Kurichi) Powerloom Complexes – Sanction of funds by Director of Handlooms and Textiles from Powerloom Registration Fund – Permission accorded - Orders - Issued.

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### Handlooms, Handicrafts, Textiles and Khadi (E1) Department

G.O.(Ms) No. 153

Dated: 02.07.2013

விஜய, ஆனி 18

Thiruvalluvar Andu 2044

Read:

- 1 From the Director of Handlooms and Textiles, Chennai-108 letter No.28611 /2008/ B2, dated 18.07.2012.
- 2 From the Director of Handlooms and Textiles, Chennai-108 letter No.28611 /2012/ B2-2, dated 30.10.2012.

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### ORDER:

The Director of Handlooms and Textiles in the letter first read above initially sent proposals for sanction of a sum of Rs.2.53 Crores for installation of 10 numbers of shuttleless looms at Aruppukottai and at Coimbatore (Kurichi) Powerloom Complexes. The Director of Handlooms and Textiles then submitted a revised proposal, based on the recommendation received from the Managing Director, Tamil Nadu Textile Corporation Limited, for sanction of a sum of Rs.4.90 Crores as loan on 13% simple interest per annum from the Powerloom Registration Fund as a special case for installation of six new shuttleless looms at Aruppukottai and 4 new shuttleless looms at Coimbatore (Kurichi) Powerloom Complexes.

2) The Director of Handlooms and Textiles has also stated that the Tamil Nadu Textile Corporation Limited Powerloom complexes, Aruppukottai and Sivagiri were set up during the year 1982 and the looms were utilized for more than 30 years and they have become obsolete. Similarly the Tamil Nadu Textile Corporation Limited Autoloom Shed, Kurichi was purchased from TIIC during the year 1993 and the looms in the shed are very old type of CIMMCO GWALIOR AUTOLOOMS, which are not found anywhere. It has therefore become essential to modernize the looms in a phased manner to get better efficiency and to weave quality fabrics to compete in the present market. The Director of Handlooms and Textiles has therefore suggested that, the Tamil Nadu Textile Corporation Limited may erect 6 new latest version of Autolooms in Aruppukottai powerloom Complex and 4 looms in Kurichi Autolooms shed in the first phase.

**Details of the looms to be installed:**

1. Type of looms	Sulzer P7250 (New)
2. Width	390 cm
3. Speed	330 RPM
4. Cost of a loom	Rs.35 lakhs + tax @ 10% (Approximately Rs. 39 lakhs)

3) The Director of Handlooms and Textiles has added that for strengthening the activities of the Tamil Nadu Textile corporation Limited to increase fabric production with updated technology to cater the needs of the customer, with good quality fabric is inevitable. As the Corporation is unable to accept bulk orders and produce quality fabric with the existing looms, it has been proposed to install shuttleless looms which are highly versatile and achieve higher production with various specifications and designs to suit the market requirement. Consequent to the decision of the Government to supply 4 sets of uniform to school children and regular FDS, the requirement of cloth been increased considerably. At present, the Corporation is having looms with the production capacity to produce only 1.25 lakh metres per month. If the 10 numbers of new shuttleless looms are installed in Aruppukottai and in Coimbatore, the production as well as the profitability will increase. The Director of Handlooms and Textiles has reported the requirement of funds for setting up of 10 numbers of

shuttleless looms in Aruppukottai and in Coimbatore, as detailed below:-

**Funds required for installation of 10 No.of shuttle less looms;-**

**(Rupees)**

<b>1.</b>	<b>Cost of Looms 10 numbers @ Rs.39.00 lakhs each</b>	<b>3,90,00,000</b>
<b>2.</b>	<b>Cost of compressor ( 5 HP)</b>	<b>40,000</b>
<b>3.</b>	<b>Cost of Humidification (12.5 HP)</b>	<b>3,00,000</b>
<b>4.</b>	<b>Erection charges &amp; contingencies</b>	<b>39,87,000</b>
<b>5.</b>	<b>Raw Material Requirement</b>	<b>46,63,000</b>
	<b>Total</b>	<b>4,79,90,000</b>
<b>6.</b>	<b>Working Capital Margin</b>	<b>10,00,000</b>
	<b>Total project cost</b>	<b>4,89,90,000</b>

Due to paucity of funds, the Tamil Nadu Textile Corporation Limited is not in a position to invest Rs.4.90 Crores for the installation of 10 shuttleless looms at present, and hence requested to recommend to Government for providing funds to install the 10 numbers of shuttleless looms at Aruppukottai and in Coimbatore powerloom complexes.

4) The Director of Handlooms and Textiles has recommended the proposal of Tamil Nadu Textile Corporation Limited for installation of 10 Nos. of new shuttleless looms- 6 looms at Aruppukottai Powerloom complex and 4 looms at Coimbatore – Kurichi Powerloom Complex at a cost of Rs.4.90 Crores, with a request to sanction the cost of the shuttleless looms from the Powerloom Registration Fund. At present, a sum of Rs.16.88 Crores is available in the Powerloom Registration Fund, which is administered by the Director of Handlooms and Textiles. The Director of Handlooms and Textiles has, therefore requested to sanction a sum of Rs.4.90 Crores as loan on 13% simple interest per annum from the Powerloom Registration Fund as a special case for installation of six new shuttleless looms at Aruppukottai and 4 new shuttleless looms at Coimbatore (Kurichi) Powerloom Complexes. The loan will be repaid in 5 equal yearly instalments, with a moratorium period of two years.

5) The Government after careful examination have decided to accept the proposal of the Director of Handlooms and Textiles. They accordingly permit him to sanction a sum of Rs.4.90 Crores as loan on 13% simple interest per annum from the Powerloom Registration Fund

for installation of 6 new shuttleless looms at Aruppukottai and 4 new shuttleless looms at Coimbatore (Kurichi) Powerloom Complexes, subject to the condition that,

- (i) Proposals relating to buying of new machineries have to be sent to Government for which orders of Government are necessary as per para 5 of G.O.Ms.No.752, Finance (BPE) Department, dated 26.12.96, and
- (ii) the annual loan installment along with interest should be remitted to Powerloom Registration Fund and the recovery of loan with interest is to be made from the funds released to TNTC for the supply of uniform cloth to school children.

6) This order issues with the concurrence of Finance Department, vide its U.O.No.33926/BPE/2013, dated 28.06.2013.

(BY ORDER OF THE GOVERNOR)

HARMANDER SINGH  
PRINCIPAL SECRETARY TO GOVERNMENT

To  
The Director of Handlooms and Textiles, Chennai -108.  
The Finance (BPE) Department, Chennai- 9.

//Forwarded by order//

M. Pappalini  
3/7/13  
Section officer  
12m  
3.7.2013