

**REVISED GUIDELINES
OF
NATIONAL HANDLOOM
DEVELOPMENT PROGRAMME (NHDP)**

(2022-23 to 2025-26)

(Effective from 12.04.2023)

**Office of the Development Commissioner for Handlooms,
Ministry of Textiles,
Udyog Bhavan,
New Delhi**

National Handloom Development Programme (NHDP)

1. Introduction

The Handloom Sector is one of the largest unorganized economic activities and it constitutes an integral part of the rural and semi-rural livelihood engaging over 35 lakh persons. The sector engages over 25 lakh female weavers and allied workers which makes it an important source of economic empowerment of women.

It provides employment opportunities to women and is a source of women empowerment. Handloom weaving constitutes one of the richest and most vibrant aspects of the Indian cultural heritage. The sector has advantage of being less capital intensive, minimal use of power, eco-friendly, flexibility of small production, openness to innovations and adaptability to market requirements.

Because of the uniqueness and exclusivity of designs, capability to produce small batch sizes and being eco-friendly fabric, handloom products are in high demand in the international and the domestic market and discerning retailers look for reliable source for constant supply of authentic handloom products on regular basis. However, handloom weavers, being unorganized, face problems in supplying their products of large orders in absence of systemized production wherein they may cater to the stringent quality and timely delivery. Therefore, there is a need to bridge the gap through infrastructure development, skill up-gradation, design and product development as per the market demand so that weavers get better remuneration for their products and an assured market. Through sustained efforts of the Ministry of Textiles, there has been significant development of handloom sector which is now able to sustain the competition with machine made fabrics.

The GoI has been following a policy of promoting and encouraging the handloom sector through a number of policies and programmes. Most of the schematic interventions of the Government of India have been through the State Agencies and Cooperatives in the Handloom Sector. However, in the face of growing competitiveness in the textile industry both in the national and international markets and the free trade opportunities emerging, a growing need has been felt for adopting a focused yet flexible and holistic approach in the sector to facilitate handloom weavers to meet the challenges of a globalize environment. A need has also been felt to empower weavers to chart out a sustainable path for growth and diversification in line with the emerging market trends.

2. National Handloom Development Programme (NHDP)– A CENTRAL SECTOR PLAN SCHEME

NHDP has been formulated for its implementation during financial year 2021-22 to 2025-26. The scheme will follow need-based approach for integrated and holistic development of handlooms and welfare of handloom weavers. The scheme will support weavers, both within and outside the cooperative fold including Self Help Groups etc. towards raw material, design inputs, technology up-gradation, marketing support through exhibitions, create permanent infrastructure in the form of Urban Haats, marketing complexes etc.

3. Components

- A. Small Cluster Development Programme
- B. Handloom Marketing Assistance.
- C. Need based Special Infrastructure Project
- D. Mega Cluster Development Programme
- E. Concessional Credit/Weaver MUDRA Scheme
- F. Handloom Weavers' Welfare
- G. Other Miscellaneous & Promotional Components-
 - I. Research & Development projects
 - II. Handloom Census
 - III. Publicity, Advertisement, Monitoring, Training & Evaluation of Scheme
 - IV. Education of weavers/their wards through National Institutes of Open Schooling (NIOS)/IGNOU
 - V. Project Monitoring Cell,
 - VI. Handloom Helpline Centre
 - VII. Earlier committed liabilities of NHDP, HWCWS, CHCDS, NERTPS etc.
- H. Any other component

4. Objectives of the scheme

- i. To focus on minimizing occupational hazards and enhancing productivity of weavers through development of ergonomic loom designs and Technical, infrastructural support for pre-loom, on-loom and post-loom operations.
- ii. To give equal marketing opportunities including direct linkages domestically and internationally to handloom workers with special focus on talented and uncovered weavers for enhancement of their incomes.
- iii. To focus on development of pockets at the intersection of handlooms & handicrafts, untouched by commercialization, pockets requiring revival of languishing crafts and having export potential.
- iv. To reorient IIHTs as handloom and handicraft hubs by collaborating with NIFT, NID & DC (HC).
- v. To ensure capacity building of handloom workers and other stakeholders, especially technical, managerial & entrepreneurship skills, exposure to banking for finance, laws & legal terminology, export procedures & foreign market trends, digital literacy and e-commerce, etc.
- vi. To ensure preservation and archiving of traditional designs, tribal weaves, languishing weaves, looms etc.
- vii. To focus on brand building of handloom under India Handloom Brand as an eco-friendly, sustainable and aspirational high-quality textile segment through awareness, promotion of natural dyes/fibers and adoption of global standards of labelling, packaging & quality by the weaving community.
- viii. To link handlooms with fashion through interface between weavers, professional designers & the industry and tourism through creation of handloom craft villages for according greater visibility and outreach to the sector.
- ix. To facilitate formation of more egalitarian structure of producer companies of handloom workers and their handholding to ensure their sustainability & commercial viability as well as percolation of benefits of professional expertise, operational and financial freedom to them.
- x. Recognition of talented handloom workers for their outstanding work by conferring Awards.
- xi. To ensure availability of concessional credit to handloom weavers, producer companies, Self Help Groups etc.

- xii. Integrated & holistic development of handloom Clusters in clearly identifiable locations for specific handloom products with close linkages and inter-dependency amongst the key players.
- xiii. To ensure welfare of handloom workers through provision of life & accidental insurance cover, scholarships for school and higher education to their wards and financial support to indigent handloom awardees.

5 Implementing agency (IA)

- IA for components other than Handloom Marketing Assistance:
 - i) Central/State Government Handloom Organizations
 - ii) National/State level Handloom Corporations
 - iii) Apex/Federations/Primary Handloom Weavers' Co-operative Societies.
 - iv) Handloom Producers' Companies.
 - v) Banks as applicable for Concessional Credit/Weaver MUDRA Loan
 - vi) Any other appropriate entity working in handlooms sector recommended by the State Govt. and approved by DC (HL).
- IA for Handloom Marketing Assistance:
 - i) Director in Charge of Handloom & Textiles/Sericulture in the States/UTs.
 - ii) Handloom organisations such as Corporations, Apex Societies, Federations, Institutions, Crafts Mela authorities/Art & Crafts Cultural Societies, Urban Haat management bodies in the States having Govt. Official as CEO/Chairman/MD/HoO, appointed by the State Govt.
 - iii) National Level organization viz. NHDC, HEPC, EPCH, CCIC, CSB, WSCs, NIFT, Textiles Committee, Association of Corporations & Apex Societies of Handlooms etc.
 - iv) In addition, following entities i.e. State agencies other than handloom organizations or local Govt. Bodies for Urban Haat, Any registered & recognized Exporters Association for Export promotion and any private organisation working in the field of GI for registration of eligible handloom products under GI Act,
 - v) Any other appropriate entity working in handlooms sector recommended by the State Govt. and approved by DC (HL).

Note:

For implementation of SCDP, eligible Agency (except NGO, Central/State Govt. organizations) should have net profit in last 2 years. NGOs, engaged in the handloom sector, recommended by the State Govt. are required to be registered on NITI Aayog Darpan Portal and submit PAN No. and Aadhar No. of each trustee/office bearer. Detailed of NGO is required to be submitted by the State Govt. concerned as per eligibility criteria of **Annexure-A4**

B.4. Marketing Incentive (MI)

- MI will be given to handloom agencies for preparing conditions conducive to marketing of handloom products.
- The handloom agencies are to use this amount towards activities that attract consumers in order to gear up overall sales of handloom goods.
- The concept envisions enabling handloom agencies to adjust their prices towards increasing cost competitiveness of the products, improve designs, and invest in infrastructure so as to improve production and productivity.
- These incentives will be calculated @ 10% on average sales of handloom products of the last 3 years, to be equally shared between the State Govt. and Central Govt., except in the case of National Level Handloom Organizations/Societies, where the entire assistance will be borne by the Government of India.

Eligible Handloom Agencies and Quantum of financial assistance:

Eligible Handloom Agencies	Quantum of Incentives (Max. Cap)	Financial assistance	Sharing between GOI: State Government
State level organizations such as Handloom Corporations, Apex Co-operative Societies & National Level Handloom Organizations.	Rs.100.00 Lakh (Central Govt. share)	10% of the average sales turnover of the last 3 years	50:50, except in the case of National Level Handloom Organizations/Societies, where the entire assistance will be borne by the Government of India.
Primary Handloom Weavers Co-operative Societies (PHWCSs), Producer Companies, SHGs, JLGs, Federations and Other eligible Handloom entities.	Rs 15.00 Lakh (Central Govt. share)		

- The amount recommended to the beneficiaries by the States Govt. is subject to matching contribution by the concerned State Govt.
- MI will be given maximum for 3 years during the scheme period of 5 years.
- The benefits of MI (10%) will be shared equally between the Organizations and Member Weavers through DBT. The details of beneficiaries (State share as well as GoI Share as and when MI released) should be uploaded in the public domain by the concerned State Govt. and Nodal Agency.

Conditions and procedure for claiming MI:

- The MI would be attracted only on the sale of handloom products using HLM/IHB.
- MI will be extended to only those handloom agencies which have made the final transaction of product sale to the consumer. For claiming MI, following should be ensured while computing the annual sales turnover for working out the eligible amount:
 - The sales by one handloom agency to the other handloom agency or vice-versa is not to be included.
 - To avoid duplication, sales of handloom products by the PHWCS/any other Handloom Agency to Apex Societies, Federations, PCs, Corporations is to be excluded. In other words, the sales made by primary societies to the apex

societies/federations/corporations etc. would not be eligible for MI since apex societies/federations/corporations would be separately eligible for claiming MI on their sales after procurement from primaries.

- The sale by any of the handloom agencies to the Government departments/agencies is to be excluded.
- The sale made under barter system by handloom agencies is to be excluded.
- Sales bills/invoices and yarn purchase bills submitted for claiming MI must be GST compliant.
- The State Govt. will prefer MI claims only for those agencies who have not received similar kind of incentive/rebate under any other scheme of the Central Govt.
- The State Government will forward the MI claim to GOI along with details of release of its matching share (5%). In the cases where State Govt. may not have released its share due to budgetary constraints etc., GOI share of 5% for a particular year may be released if the State Government has released its share up-to the previous claim.
- Claims of MI will be submitted by the eligible Handloom Corporations, Apex Co-operative Societies, PHWCSs, SHGs, JLGs, PCs, Federations, Other eligible Handloom entities to the concerned State Government in the prescribed proforma **(Annexure - B8)**.
- National level Handloom Organizations will submit their claims directly to the Office of DC (HL) in the prescribed proforma **(Annexure - B8)**.
- The State Government will forward the MI claims of the eligible agencies to the office of DC (HL) duly completed and verified in all respect along with a certificate in each individual claim, as per the prescribed **(Annexure - B9)**.
- In addition, State Government has to furnish a consolidated statement, recommendations of the SLPC, Sanction Order for release of State share, documentary proof of amount transferred to the beneficiaries & a certificate as per the prescribed proforma **(Annexure - B10)**.
- Also, in the light of large number of PHWCSs and other eligible handloom agencies in the States, State Govt. while submitting the proposal will identify a suitable nodal agency to whom the Central share as well as State share in respect of eligible agencies will be aggregated for onward release to them.
- Assistance to State handloom organizations/societies for MI will be released to the Nodal Agency of the State Government concerned while assistance to the National level handloom organizations will be released directly to them.
- The Nodal Agency should compulsorily release the amount to eligible handloom agencies and their member weavers through DBT in a period not exceeding 7 days of the receipt of MI. State Govt. will submit a certificate to this effect.
- Utilization certificate will be submitted by the nodal agency.

MARKETING INCENTIVE

Proforma to be submitted by handloom corporations/apex co-operative societies, primary handloom weaver co-operative societies, producer companies, SHGs, JLGs, federations, other eligible handloom entities and national level organisations for claiming MI

1. Name of the State :
2. Claim for the year :
3. Name and address of the Agency/Society:
4. No. of Weavers covered by the Agency/Society:

Sl. No.	Name of the Category	Men	Women	Total
1	General			
2	SC			
3	ST			
4	OBC			
5	Minority			
6	Others			
	Total			

5. Sales turnover for the preceding three years:
(Calculated based on the GST bills (Yarn purchase & sales bills/Invoices) complying all the GST laws and it's also excluding sales to Apex Societies, Federations, Corporations, Government Departments agencies, Sales to handloom agencies/sales under barter system and sales computed for the purpose of claiming assistance under similar kind of incentive/rebate under any other scheme of the Central Govt.)

Year	Fabrics	Made-ups	Garments	Others	Total
Total					

6. Average sales turnover of last three years:
7. Marketing Incentive eligible @ 10% :
8. States share @ 5% :
9. Central Government share @ 5% :

Certified that our organization is a registered users of HLM/IHB and used HLM/IHB labels in the products. It is also certified that the figures for MI have been calculated in accordance with the clause given at point – 5 above.

Signature of the President/
Secretary of the Agency/Society

Signature of the CA with Regn. No.____/
Statutory auditor

With Seal

with Seal

MARKETING INCENTIVE

Certificate to be furnished by the Nodal Agency and State Govt. along with each individual claim

It is certified that

1. **The Handloom Agencies claiming MI are in existence and functioning.**
2. **The points at sl. no. 1 to 9 under Annexure- B (8) taken into account by the Nodal Agency for calculating the eligibility for MI, are correct and have been duly verified.**
3. The MI to the eligible handloom agencies has been calculated based on the GST bills (Yarn purchase & sales bills) complying all the GST laws.
4. The claims towards MI have been preferred only for those handloom agencies which have made the final transaction of product sale to the consumer and followings have been insured while computing the annual sales turnover for working out the eligible amount:
 - i) The sales by one handloom agency to the other handloom agency or vice-versa has not been included.
 - ii) The sales of handloom products by the PHWCS/any other Handloom Agency to Apex Societies, Federations, Corporations have been excluded.
 - iii) The sales by any of the handloom agencies to the Government departments/agencies have been excluded.
 - iv) The sales made under barter system by handloom agencies have been excluded.
5. The sales computed for the purpose of claiming MI have not been calculated for other assistance under similar kind of incentive/rebate under any other scheme of the Central Govt.
6. The proposal has been cleared in the State Level Project Committee (SLPC) in its meeting held on _____, Minutes of which are enclosed.
7. State Share has already been released vide State Govt.'s sanction order No. _____ dated _____.
8. All the eligibility conditions for availing MI have been met by the agency as per the norms of the scheme guidelines on MI under NHDP and no excess amount is claimed by the agency.
9. The claiming agency has not been preferred MI claims for more than 3 years including this proposal during the scheme period of 5 years.
10. No UC is pending for rendition in respect of the above grantee organization towards any grant(s) received by it under any scheme of the office of DC (HL) or Ministry of Textiles.
11. There is no reason to believe that the agency is involved in any corrupt practices.
12. Certified that all the above particulars are correct and verified from books of accounts of the grantee agency.
13. Certified that the agency is a registered users of HLM/IHB and used HLM/IHB labels in their products.

(Signature)

Nodal Agency nominated by
State Government of _____
(with seal)

(Signature)

Director In-charge of Handlooms,
Government of _____
(with seal)

MARKETING INCENTIVE

Consolidated Statement alongwith certificates to be furnished by the Nodal agency and Director of Handlooms & Textiles, State Govt. while forwarding the claims of Handloom Agencies under the MI.

S. No.	Name of the Agency	Claim for the year	Total MI eligibility	MI approved by SLPC	State share	Central share	Amount released by State Govt.	Amount to be released by the Central Govt.
1								
2								
Total								

Category- wise total number of weavers covered by the handloom agencies:

Total no. of the weavers covered by the handloom agencies													
General		SC		ST		OBC		MINORITY		OTHERS		Total	
Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women

CERTIFICATE FURNISHED BY THE DIRECTOR OF HANDLOOMS & TEXTILES, STATE GOVT.

It is certified that

- All the above grantee handloom organizations/societies (agencies) are in existence & functioning and the records & registers of _____ (number) handloom agencies have been checked and verified by the field Officers of the Government of _____ for the year _____ and found to be available and in order.
- The consolidated statement of claim has been prepared on the basis of individual claims preferred by the agency/agencies without any duplication and none of the assistance claimed have been preferred earlier.
- As per the approval of SLPC, the State Govt. has released its matching share to the concerned grantee organizations vide State Govt.'s sanction order No. _____ dated _____, which has been shared equally between the organizations and member weavers through DBT. A copy of the sanction order and documentary proof (bank statement) of amount transferred is enclosed.
- The previous amount received towards central share of MI has also been released/shared equally to/between the organization/member weavers through DBT
- The details of beneficiaries (State share) have been uploaded on the website of Nodal Agency and State Govt., including previous amount received towards Central share of MI (Gol Share).
- No complaint(s) have been received or pending about distribution of MI released earlier by the Govt. of India and State Govt.
- The claims preferred now by the handloom agencies is full and final in respect of the State Government of _____ for the year _____ and no further claim(s) will be preferred by the State Government for the same period in future.
- The audit of the MI claims preferred by the handloom agencies have been conducted by the Govt. Auditors including the pervious account of MI already released and benefit extended to the beneficiaries, (audit report along with audit settlement memo enclosed).
- The above statement has been forwarded through e-mail/in a CD.

(Signature)
Nodal Agency nominated by
State Government of _____
(with seal)

(Signature)
Director In-charge of Handlooms,
Government of _____
(with seal)