

PRESS RELEASE

Text of the D.O. letter dated 1.3.2018 of Thiru Edappadi K. Palaniswami, Hon'ble Chief Minister of Tamil Nadu addressed to Shri Narendra Modi, Hon'ble Prime Minister of India, New Delhi.

I would like to bring to your kind notice that the Government of India under the National Handloom Development Programme has introduced two restrictive clauses for the Handloom Weavers Co-operative Societies eligible for availing the Marketing Incentives. In the earlier scheme, there was neither time limitation, nor sales turn over as eligibility criteria, making it easier for the Handloom Weavers Co-operative Societies for availing the Marketing Incentives. In the present scheme, two restrictive clauses have been introduced, namely, the Handloom Weavers Co-operative Societies can avail incentives for maximum of 3 years only and the turn over should not be more than Rs.30 lakh.

In this regard, I wish to state that Societies having a turnover of more than Rs.30 lakh will become ineligible for availing the financial assistance under the scheme from the financial year 2017-18. As per the new guidelines, it is estimated that only 285 Societies consisting of 53,140 weavers in the State would become eligible for getting the financial assistance under the Marketing Incentive, as against the 868 Weavers Co-operative Societies consisting of 2,69,030 Weavers as per the earlier guidelines.

By capping the sales turn over to Rs.30 lakh, the following issues will arise in the Handloom Weavers Co-operative Societies:

- i) Sale of handloom goods would be affected to a larger extent which will affect the existence of the Societies itself.
- ii) There will not be any cash flow in the Societies and consequently continuous employment to weavers would be affected ultimately.
- iii) Sustenance of weaving activity would get disturbed, which would lead to migration of weavers seeking other source of employment.
- iv) Accumulation of stock of handloom goods.
- v) Loss of Working capital due to stock accumulation.

The Handloom Weavers Co-operative Societies in Tamil Nadu are depending heavily on this Marketing Incentive to promote sales for many decades.

Already the societies in the State are struggling very hard to sell their handloom products, due to the impact of GST on handlooms and it becomes imperative that the Societies need continued support to liquidate the stocks. Moreover, Societies having a turnover of more than Rs.30 lakh also have more number of members and therefore would also need marketing support to face stiff competition from the powerloom sector. Ultimately, these Societies are providing employment to lakhs of weavers, which is the prime objective of the National Handloom Development Programme.

I therefore, request your kind intervention by directing the Ministry of Textiles, Government of India to remove the Rs.30 lakh sales turn over capping, as well as the 3 year time restriction as eligibility for availing the Marketing Incentive under the National Handloom Development Programme, so as to extend the benefit of Marketing Incentive to the entire handloom sector.

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