

No. 3/7/2024-DCH/P&E/Awards
Government of India
Ministry of Textiles
Office of the Development Commissioner for Handlooms

Udyog Bhawan, New Delhi
Dated 07th March, 2025

Madam/Sir,

I am writing this letter regarding the Handloom Award guidelines for Startups and Producer Companies. Upon reviewing the various provisions and entitlements, it has been observed that adding the following provisions to the Handloom Award guidelines under National Handloom Development Programme (NHDP) will provide greater clarity and encourage more applications under the sub-category of Startups/Producer Companies.

2. **Definition:** In the handloom sector, a start-up is defined as an entity incorporated in India as a Private Limited Company (as defined in the Companies Act, 2013) or registered as a Partnership Firm (registered under Section 59 of the Partnership Act, 1932) or as a Limited Liability Partnership Firm (under the Limited Liability Partnership Act, 2008). According to the definition of a start-up, the entity must be established as a private limited company and will be considered a start-up for up to ten years from the date of incorporation. Post-incorporation, the entity's turnover should not exceed one hundred crore rupees in any financial year. It should be working towards innovation, development, or improvement of products, processes, or services in the handloom sector, or should have a scalable business model with a high potential for employment generation or wealth creation in the handloom sector.

An entity formed by splitting up or restructuring an existing business will not be considered a start-up. The start-up must be registered with DPIIT.

3. **Process for awarding start-ups/producer companies in the handloom sector:**

- The aim of providing handloom awards to start-ups and producer companies is to create an ecosystem for the production of handloom products and to promote sustainable economic development in the handloom sector.
- The start-up/producer company should have made significant progress in Handloom Sector, demonstrating entrepreneurial spirit.
- The achievements of the start-up/producer company, including growth, employment generation, and increase in wages for handloom workers, will be considered during the evaluation process for Handloom Awards.
- The start-up must comply with the guidelines issued by DPIIT on this subject.

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- Start-ups and producer companies working in the handloom sector, focusing on sustainability and circularity, showing significant growth, increasing wages for handloom workers, adding value to existing products, generating employment, and innovating in the use of raw materials/new fibers, will be given due preference in the selection process for handloom awards.

4. **Eligibility Criteria:** The start-up/producer company must have been in existence for at least three years as of December 31 of the previous year. However, it should not be older than ten years. These criteria will supersede the existing provision of a minimum of 5 years of experience under this sub-category for considering applications of start-ups/producer companies for Handloom Awards.

5. Apart from the above, all Zonal Directors and Heads of WSCs should work for connecting start-ups in the handloom sector with employment generation and value addition in weaving activities for weaver families. Additionally, the process of creating samples/prototypes for value addition in the handloom sector will be initiated at the level of each WSC.

Yours sincerely,



(Dr. M. Beena)

Development Commissioner (Handlooms)

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To,

1. The Secretaries in-charge of Handloom & Textiles/Sericulture, All States/UTs.
2. All Zonal Directors, Weavers Service Centres
3. All Head of Offices, Weavers Service Centres