

F. No.18/5/2024-DCH/P&E/PC
भारत सरकार/Government of India
वस्त्र मंत्रालय/Ministry of Textiles
विकास आयुक्त हथकरघा का कार्यालय
Office of the Development Commissioner for Handlooms

उद्योग भवन, नई दिल्ली/Udyog Bhawan, New Delhi
दिनांक/Dated: 18 March, 2025

OFFICE MEMORANDUM

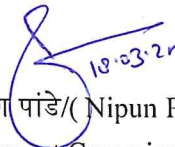
Subject: Standard Operating Procedure (SoP) for providing Financial Assistance for the Producer Companies in Handloom sector under the National Handloom Development Programme (NHDP) -reg.

Attention is invited to the guidelines of National Handloom Development Programme (NHDP) scheme, wherein, there is a component of "Formation and Handholding of Producer companies" under the Need based Special Infrastructure Project section of scheme guidelines.

2. In this context, the undersigned is directed to enclose herewith the approved Standard Operating Procedure (SoP) for extending financial assistance to the producer companies in the handloom sector under the National Handloom Development Programme (NHDP) scheme.

3. This issues with the approval of Development Commissioner (Handlooms)

Encls: As Above


निपुण पांडे/(Nipun Pande)
अतिरिक्त विकास आयुक्त (Addl. Development Commissioner)
Tele:-23061412/Email: pandey.nipun2018@gov.in

To,

- All concerned Agencies in Handloom Sector.
- ZD (NZ, SZ, EZ, WZ), WSCs
- HoO, WSCs

Copy to:

Development Commissioner (Handlooms), Udyog Bhawan, New Delhi.

Standard Operating Procedure for providing Financial Assistance for the Producer Companies under the National Handloom Development Programme (NHDP)

Handloom Producer Companies are collective entities formed by the weavers for mutual support, source raw materials and other resources leveraging collective bargaining and to market their products effectively to improve the living conditions of the individual weavers. The producer companies enable the member weavers to reduce the cost of production by pooling their resources and leveraging the economies of scale, negotiate better price of raw material, to access credit and to get better price for their products. The Producer companies enhance the viability and profitability of the individual weaver producers. Office of the Development Commissioner for Handlooms, Ministry of Textiles, Govt. of India therefore facilitate and promote formation of producer companies and also provide assistances to the existing and newly formed producer companies in the handloom sector. Various other assistances viz. Skill up-gradation training, technologically upgraded looms, gadgets, accessories, financial assistances, marketing opportunities etc. are also extended to the weavers of producer companies under the NHDP

Financial Assistances to the producer Companies:

Following financial assistances are provided for the formation of new handloom weaver producer companies as well as to facilitate the functioning of the existing and newly formed handloom weaver producer companies under the NHDP.

1. One time financial assistance up to Rs. 0.50 lakh for meeting administrative and incidental expenditure involved in the registration of producer companies:

This assistance will be released to the Weavers' Service Centres (WSCs) in advance. WSCs have to submit the proposal in the format given at Annexure-1 for the release of financial assistance up to 0.50 lakh.

2. Financial Assistance up to Rs. 2 lakh for setting up of office

This assistance will be released to the concerned WSC for onward release to the PC for the purchase of office equipment, such as computers, printers, furniture, etc. The first installment of ₹1.00 lakh or 50% of the total required amount, whichever is less, will be released in advance to the concerned WSC for onward payment to the Producer Company. This will be done upon the submission of a requisition, in the format provided in Annexure-2, to the concerned WSC, along with copies of the following documents attested by the competent authority of the Producer Company.

- i. Registration Certificate
- ii. Sustainability plan
- iii. Memorandum of Association and Articles of Association
- iv. Audited Accounts the previous years if the PC has completed more than 1 year of operation or more years
- v. Share holding pattern

The WSC will scrutinize the requisition and the documents and recommend to the Office of the Development Commissioner for Handlooms for release of 1st instalment.

The second installment will be released to the producer company on a reimbursement basis through the concerned WSC. After setting up the office, the producer company shall submit a requisition for the release of the second installment to the concerned WSC in the format provided in Annexure-3 along with the following documents. The WSC will then scrutinize the requisition and

recommend it, along with a completion certificate for setting up the office, to the Office of the Development Commissioner for Handlooms, New Delhi, for the release of the second installment. The second installment amount (actual expenses incurred minus the first installment already released, subject to a maximum total assistance of Rs. 2 lakh) will be disbursed by the Office of the Development Commissioner for Handlooms.

- i. A utilization certificate for the first installment.
- ii. A statement of accounts, duly signed by the competent authority of the producer company and countersigned by a Chartered Accountant.
- iii. Request of Producer Company for release of Grant
- iv. Copy of Registration Certificate
- v. Sustainability plan
- vi. Ink signed copy of expenditure Statement
- vii. Copy of Memorandum of Association and Articles of Association
- viii. Audited Accounts the previous years if the PC has completed more than 1 year of operation or more years
- ix. Share holding pattern

3. Financial Assistance up to Rs. 10 lakh towards working capital:

Eligibility:

Producer Companies fulfilling all the following conditions are eligible for financial assistance towards working capital:

- i) Producer Companies of the handloom weavers/allied workers engaged in the production and marketing of handloom products.
- ii) Producer Companies should be financially viable. Producer Companies should have completed at least one year of functioning and completed statutory audit.
- iii) Producer Companies should have complied with all statutory obligations including filing of returns.
- iv) Producer Companies with members owning not more than 10% of equity shares each.

Financial Assistance:

The amount of maximum financial assistance to the Producer Company towards working capital is Rs.10 Lakh.

The eligible amount of financial assistance will depend on the number of weaver/allied worker members holding stake i.e. holding equity in the producer company (not more than 10% equity shares each), as given below.

S. No.	Number of Handloom weavers/Allied worker Members holding not more than 10% of equity shares each in the producer company	Eligible Amount of Working Capital
1	10 to 25	Rs. 5.00 Lakh
2	Above 25	Eligible amount will be calculated proportionately as per the following formula subject to a maximum amount of Rs.10 Lakh.

		Rs. 5 Lakh ----- 25	X	Number of weaver/allied worker members holding not more than 10% of equity shares each in the PC
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Release of Financial Assistance:

First Instalment:

The financial assistance will be released in two instalments to the concerned WSC for onward payment to respective Producer Company. The producer company shall submit the requisition for the release of 1st instalment of financial assistance to the concerned WSC in the format enclosed at Annexure -4 along with the following documents attested by the competent authority of the Producer Company.

- i) Registration Certificate
- ii) Memorandum of Association and Article of Association
- iii) Share holding pattern by the members
- iv) Audited accounts of previous years
- v) Sustainability plan of the producer company

On receipt of the requisition, the WSC shall scrutinize the requisition and the documents and organize the field verification by a committee consisting of the Head of Office of the WSC and NHDC/State to ascertain the genuineness of the operation of the producer company. The WSC shall then recommend the requisition along with the field verification report and the certificate of genuineness of operation of Producer Company by the concerned WSC to the Technical Committee chaired by the concerned Zonal Director.

The Technical Committee shall examine the proposal considering the requirement, sustainability etc. and submit its recommendation to the office of the Development Commissioner for Handlooms, New Delhi. If there is any discrepancy or non-fulfilment of the requirement(s), the proposal shall be rejected or returned to the concerned WSC for necessary amendment as the case may be.

The Project Recommending Committee (PRC) Chaired by the Development Commissioner for Handlooms, New Delhi shall approve the proposal for release of 1st instalment.

Second Instalment:

The requisition for the release of 2nd instalment shall be submitted by the producer company to the concerned WSC, after at least one year of release of 1st installment and not later than 2 years from the release of first instalment in the format enclosed at Annexure-5 along with the following documents attested by the competent authority of the producer company.

- i) Utilization certificate of the 1st instalment financial assistance released for working capital, duly signed by the competent authority of the PC duly countersigned by Chartered Accountant
- ii) Utilization report of working capital released
- iii) Copy of Amendment to the Memorandum of Association and Articles of Association if any
- iv) Copy of Amendment to share holding pattern if any
- v) Sustainability plan of the PC
- vi) Audited Accounts of the previous years

On receipt of the requisition, the WSC shall scrutinize the requisition and the

documents and organize the field verification by a committee consisting of the Head of Office of the WSC and NHDC/State to ascertain the genuineness of the operation of the Producer Company and utilization of 1st instalment amount released to the producer company. The WSC shall then recommend the requisition along with the field verification report and the certificate of genuineness of operation and utilization of 1st instalment amount released to the Technical Committee chaired by the concerned Zonal Director.

The Technical Committee shall examine the proposal considering the requirement, sustainability etc. and submit its recommendation to the office of the Development Commissioner for Handlooms, New Delhi. If there is any discrepancy or non-fulfilment of the requirement(s), the proposal shall be rejected or returned to the concerned WSC for necessary amendment as the case may be.

The Project Recommending Committee Chaired by the Development Commissioner for Handlooms, New Delhi shall approve the proposal for release of 2nd instalment.

**PROPOSAL FOR THE RELEASE OF FINANCIAL ASSISTANCE
FOR THE REGISTRATION OF PRODUCER COMPANY (PC)**

1. Name of the WSC :
2. Name of the Handloom Pocket in which the PC is proposed to be formed :
3. Total Number of Weaver/Allied Worker Members :
4. Total Number of Weaver/Allied Workers proposed to be equity share holders :
5. Total No. of Equity Shares :
6. Value of Each Equity Share :
7. Total Authorized Share Capital :
8. Total Subscribed Share Capital :
9. Total Number of Looms :
10. Name of Products woven :
11. List of Members of the PC :

S. No.	Name of the Weaver/ Allied worker Member	Father's /Spouse Name	Address	Contact No.	Aadhaar Number	Weaver / Allied worker	Weaver / Allied Worker Identity No.	No. of equity shares proposed to be subscribed	Amount of equity capital subscribed

12. Amount Required for registration of the PC : (subject to maximum of Rs. 0.50 Lakh)

It is certified that the details furnished above have been verified and found correct. It is requested that an amount of Rs..... (Rs) may be released.

(Signature of Head of Office of concerned WSC)
with office seal

**APPLICATION FOR THE RELEASE OF FINANCIAL ASSISTANCE
FOR SETTING-UP OF OFFICE FOR THE PRODUCER COMPANY
(PC) (1st INSTALLMENT)**

1. Name and Address of the Producer :
Company
2. Registration No. and Date of :
Registration of the PC
3. Telephone No. /Mobile No. of PC :
4. E-mail Id of the PC :
5. Name of the Chief Executive :
Officer (CEO)
6. Telephone No./Mobile No. of :
the CEO
7. E-mail Id of the CEO :
8. Total Number of Weaver/Allied :
Worker Members in the PC holding
equity shares
9. Total No. of Equity Shares :
10. Value of Each Equity Share :
11. Total Authorized Share Capital :
12. Total Subscribed Share Capital :
13. Total Number of Looms :
14. Name of Products woven :
15. List of Members of the PC:

S. No.	Name of the Weaver / Allied worker Member	Father's/ Spouse Name	Address	Contact No.	Aadhaar Number	Weaver / Allied worker	Weaver / Allied worker Identity No.	No. of equity shares subscribed	Amount of equity capital subscribed

16. Total Amount required for purchase of office equipments : viz. computers, printers etc. and furnitures (subject to maximum of Rs. 2 Lakh)

17. Items required for setting up of Office : (Office equipments viz. Computers, Printers etc. and Furniture)

S.No	Name of the item	No. of Items	Cost of each item	Total Cost

18. Amount required as 1st Instalment : (50% of the total amount required or Rs. 1 Lakh whichever is less)

I undertake and certify that the details furnished above are correct. A copy of the resolution authorising the CEO to apply for the financial assistance for setting up office for the PC is enclosed.

(Signature of the CEO of the PC)

It is certified that the details furnished above have been verified and found correct. It is recommended that Rs..... (Rs) may be released to the PC towards 1st instalment for setting up of office for the PC.

(Signature of Head of Office of concerned WSC)
With office seal

Enclosures:

- i) Copy Registration Certificate of the PC
- ii) Sustainability Plan
- iii) Copy of Memorandum of Association and Articles of Association
- iv) Share Holding Pattern
- v) Audited Accounts the previous years if the PC has completed more than 1 year of operation or more years
- vi) Copy of Resolution of the PC

**APPLICATION FOR THE RELEASE OF FINANCIAL ASSISTANCE
FOR SETTING-UP OF OFFICE FOR THE PRODUCER COMPANY
(PC) (2nd INSTALLMENT)**

1. Name and Address of the Producer Company :
2. Registration No. and Date of Registration of the PC :
3. Telephone No. /Mobile No. of PC :
4. E-mail Id of the PC :
5. Name of the Chief Executive Officer (CEO) :
6. Telephone No./Mobile No. of the CEO :
7. E-mail Id of the CEO :
8. Total Number of Weaver/Allied Worker Members in the PC holding equity shares :
9. Total No. of Equity Shares :
10. Value of Each Equity Share :
11. Total Authorized Share Capital :
12. Total Subscribed Share Capital :
13. Total Number of Looms :
14. Name of Products woven :
15. List of Members of the PC :

S. No.	Name of the Weaver/ Allied worker Member	Father's/ Spouse Name	Address	Contact No.	Aadhaar Number	Weaver/ Allied worker	Weaver/ Allied worker Identity No.	No. of equity shares subscribed	Amount of equity capital subscribed

16. Total Amount incurred for purchase of office equipments : viz. computers, printers etc. and furnitures (subject to maximum of Rs. 2 Lakh)
17. Items purchased and installed in the PC Office :
(Office equipments viz. Computers, Printers etc. and Furnitures)

S.No	Name of the item	No. of Items	Cost of each item	Total Cost

18. Amount of 1st Instalment received :
19. Balance amount required to be released as 2nd instalment :
(Actual amount incurred minus 1st instalment amount received subject to maximum total eligible amount of financial assistance of Rs. 2 lakh)

I undertake and certify that the details furnished above are correct. A copy of the resolution authorising the CEO to apply for the 2nd instalment of financial assistance for setting up office for the PC is enclosed.

(Signature of the CEO of the PC)

It is certified that the details furnished above have been verified and found correct. It is recommended that Rs..... (Rs) may be released to the PC towards 2nd instalment for setting up of office for the PC.

(Signature of Head of Office of concerned WSC)
with office seal

Enclosures:

- i) Utilization Certificate and Statement of Accounts duly signed by the competent authority of the PC and countersigned by Chartered Accountant
- ii) Sustainability plan of the PC
- iii) Audited Accounts the previous years if the PC has completed more than 1 year of operation or more years
- iv) Copy of Resolution of the PC

**APPLICATION FOR THE RELEASE OF FINANCIAL ASSISTANCE
FOR WORKING CAPITAL TO THE PRODUCER COMPANY (PC)
(1st INSTALLMENT)**

1. Name and Address of the Producer Company :
2. Registration No. and Date of Registration of the PC :
3. Telephone No. /Mobile No. of PC :
4. E-mail Id of the PC :
5. Name of the Chief Executive Officer (CEO) :
6. Telephone No./Mobile No. of the CEO :
7. E-mail Id of the CEO :
8. Total Number of Weaver/Allied Worker Members in the PC holding equity shares :
9. Total No. of Equity Shares :
10. Value of Each Equity Share :
11. Total Authorized Share Capital :
12. Total Subscribed Share Capital :
13. Total Number of Looms :
14. Name of Products woven :
15. List of Members of the PC:

S. No.	Name of the Weaver/ Allied worker Member	Father's / Spouse Name	Address	Contact No.	Aadhaar Number	Weaver/ Allied worker	Weaver /Allied worker Identity No.	No. of equity shares subscribed	Amount of equity capital subscribed

16. Number of Handloom Weaver/Allied Worker Members holding not more than 10 % equity shares each in the PC :
17. Total eligible amount of financial Assistance for Working capital :
18. Amount required as 1st Instalment (subject to maximum of 50% of eligible amount) :

I undertake and certify that the details furnished above are correct. A copy of the resolution authorising the CEO to apply for the financial assistance towards working capital to the PC is enclosed.

(Signature of the CEO of the PC)

It is certified that the details furnished above have been verified and found correct. It is recommended that Rs..... (Rs.....) may be released to the PC as 1st instalment towards working capital to the PC.

(Signature of Head of Office of concerned WSC)
with office seal

Enclosures:

- i. Copy Registration Certificate of the PC
- ii. Sustainability Plan
- iii. Copy of Memorandum of Association and Articles of Association
- iv. Share Holding Pattern
- v. Audited Accounts of the previous years
- vi. Copy of Resolution of the PC

**APPLICATION FOR THE RELEASE OF FINANCIAL ASSISTANCE
FOR WORKING CAPITAL TO THE PRODUCER COMPANY (PC)
(2nd INSTALLMENT)**

1. Name and Address of the Producer Company :
2. Registration No. and Date of Registration of the PC :
3. Telephone No. /Mobile No. of PC :
4. E-mail Id of the PC :
5. Name of the Chief Executive Officer (CEO) :
6. Telephone No./Mobile No. of the CEO :
7. E-mail Id of the CEO :
8. Total Number of Weaver/Allied Worker Members in the PC holding equity shares :
9. Total No. of Equity Shares :
10. Value of Each Equity Share :
11. Total Authorized Share Capital :
12. Total Subscribed Share Capital :
13. Total Number of Looms :
14. Name of Products woven :
15. List of Members of the PC:

S. No.	Name of the Weaver/ Allied worker Member	Father's / Spouse Name	Address	Contact No.	Aadhaar Number	Weaver/ Allied worker	Weaver/ Allied worker Identity No.	No. of equity shares subscribed	Amount of equity capital subscribed

15. Number of Handloom Weaver/Allied Worker Members holding not more than 10 % equity shares each in the PC :
16. Total eligible amount of financial Assistance for Working capital :
17. Amount of 1st Instalment received:
18. Balance amount required to be released as 2nd instalment :
(Total eligible amount minus 1st instalment amount received)

I undertake and certify that the details furnished above are correct. A copy of the resolution authorising the CEO to apply for the financial assistance towards working capital to the PC is enclosed.

(Signature of the CEO of the PC)

It is certified that the details furnished above have been verified and found correct. It is recommended that Rs..... (Rs.....) may be released to the PC as 2nd instalment towards working capital to the PC.

(Signature of Head of Office of concerned WSC)
with office seal

Enclosures:

- i. Utilization Certificate of the 1st instalment amount duly signed by the competent authority of the PC and countersigned by Chartered Accountant.
- ii. Utilization report of the 1st instalment amount
- iii. Copy of Amendment to the Memorandum of Association and Articles of Association if any.
- iv. Copy of Amendment to the Share Holding Pattern if any
- v. Sustainability Plan
- vi. Audited Accounts of the previous years
- vii. Copy of Resolution of the PC

