

# GUIDELINES FOR IMPLEMENTATION OF SCHEME FOR MARKETING PROMOTION OF HANDLOOMS PRODUCTS

## 1.0: Background

**1.1:** As per the National Census 2001, Manipur has a population of 22.94 lakh consisting of 11.32 lakh females. According to the National Handloom Census 1995-96, average monthly production of handloom fabric is 86.41 lakh metres by 4.62 lakh weavers and 2.77 lakh looms. Handloom weaving is by far the largest and the most important cottage industry in Manipur. Next to Agriculture, handloom weaving provides the highest employment to the women-folk of Manipur. It represents the continuity of the age-old heritage of hand weaving and reflects the socio-cultural tradition of the people. The traditional skill of handloom weaving of Manipur is not only a status symbol for the women-folk, but also an indispensable aspect of socio-economic life.

**1.2:** In Manipur, there is no surplus produce in agricultural, fishery, sericulture and horticulture sectors, etc. However, in the handloom sector, surplus handloom fabrics are regularly produced. Handloom products, thus, cannot be fully consumed locally unlike other products. Since it is the only industry in the State which can earn income from outside the State and abroad, a way for developing market outside for these surplus products is, therefore, required to be planned. Primary requirement of the weavers is rolling of working capital as quickly as possible. Secondly, the traders are primarily concerned with the need for developing products to meet consumers taste.

**1.3:** Marketing has always been a problem with the handloom organizations/societies /weavers. Accordingly, in order to augment marketing of handloom products particularly in the wake of stiff competition from the products of powerloom and mill sector, a plan is proposed to help the handloom sector to market handloom products and reduce their inventories / accumulated stocks. The present incentives provided under various Centrally Sponsored Schemes has limited scope, which has been providing for only organized/registered sectors.

## 2.0: Classification of Weavers in Manipur:

The Handloom Industry in the State can be divided into the following groups:

1. Cooperative Sector
2. Group Sector
3. Individual Sector
4. NGO Sector
5. Masterweavers Sector

**2.1 Cooperative Sector:** The weavers are organized to form a Primary Handloom Weavers Cooperative Society and registered with the Cooperative Department, Govt. of Manipur under the Manipur Co-operative Societies Act, 1976 (Manipur Act No.14 of 1976). All the activities including the trading of the weavers under the Cooperative Sector are bound by the Rules & Regulations, Bye-Laws of the Society.

**2.2 Group Sector:** In this case, the weavers are organized to form a Self Help Group or Handloom Weavers Group to carry out their handloom activities as group venture. They are guided by their group leader. Their activities are smaller compared with the activities of the Cooperative Society.

**2.3 Individual Sector:** Individual weavers are self workers. They have their own independence for carrying out the handloom activities including trading of their products. Their activities are smaller than that of Group Sector.

**2.4 NGO Sector:** Those weavers who are working under the control of Non-Government Organizations are solely bound in their activities including forward and backward linkages by the Terms & Conditions of their NGOs.

**2.4 Masterweavers Sector:** These weavers are working under the control of Masterweaver. They produce handloom products on the instruction of their Masterweaver and their activities are controlled by the Masterweaver.

### **3.0: Common Activities and Problems of Weavers:**

All the categories as above have similar sources of raw materials and activities, such as weaving (including preparatory processes), dyeing, raw material, equipment and accessories. Very few weavers depend on the raw material of National Handloom Development Corporation (NHDC) or Departmental Raw Material Bank (RMB). Most of them depend on the yarn merchants, where varied types of yarns, counts, colours are readily available. Most of the weavers thus need and invest more working capital in case the yarns are purchased from the local yarn merchants than the weavers who purchase the yarns from Govt. Agencies (NHDC and RMB).

Most important part and commonest of all the above is “marketing of their handloom products”. A few peoples have been trading in Manipur handloom products outside the State through their established business system for the last many years. But most of the weavers, societies, masterweavers, NGOs and individual weavers depended upon the local market and local consumption. Demand for handloom products in the local market of the State is saturated. Thus decline of weavers’ population, desertion from weaving, switching over of profession from the weaving activities to other activities has been experienced in the last few years.

### **4.0: Objective:**

The main objective of the Scheme is to provide marketing support to the prospective Agencies by way of various supports for sale of handloom fabrics produced by the weavers of Manipur through their emporia/depots and/or by participating in special fairs, exhibitions, participating in National/Special Handloom Expos, District Level events etc. This would supplement their ongoing marketing efforts thereby creating scope for keeping the production cycle alive and thereby sustain the existing employment of handloom weavers.

## 5.0: Components:

It is a duty of all to extend necessary support for promotion of handloom and allied industry in Manipur. In order to promote the industry, certain mechanism and policy has to be framed by the competent authority. The promotional support has to cover both backward and forward linkages and other such necessary components. The following supports needs to be taken into consideration:

- Infrastructure Support.
- Organizational Support.
- Backward Support.
- Forward Support.
- Transportation Support
- Rebate Support
- Publicity Support

### 5.1 Infrastructure Support

Any suitable marketing agencies selected by the Selection Committee shall be provided financial assistance as support to enable them to establish their sale depots outside the State of Manipur. The recurring component will be provided for a period of 5 years from the date of first payment and subject to the fulfillment of Terms and Conditions laid down under this scheme. The support may be in the form of assistance with the following ceiling:

Sl.No	Name of component	Amount (in lakh)	Remark
1.	Margin money as establishment expenditure (purchase of handloom products & misc.)	4.00	To be released through Bank towards the margin money
2.	Actual charge of room rent or a maximum of 15,000/- per month whichever is less	1.80	Recurring at the end of each year.
3.	Actual charge of Electricity and water charges or a maximum of Rs.5000/- per month	0.60	Recurring at the end of each year
4.	Actual charge of construction/electrification of racks, show boxes, decoration, etc. or a maximum of Rs.1.00 lakh once in three years.	1.00	One time at the time of establishment
	<b>Total</b>	<b>7.40</b>	

### 5.2 Institutional Support

The State Government will issue orders notifying the selected agencies for supply of handloom products of Manipur to Government Departments, Corporations, Undertakings, Temples, Boards, Councils, NGOs and Associations in Manipur for promotion of handloom industry.

### 5.3 Organizational Support:

All the registered Corporations/Societies/Associations/Councils/NGOs shall extend their support to the selected marketing agencies with their products, knowledge, experience and technology.

#### 5.4 Backward Support:

The National Handloom Development Corporation (NHDC) and Departmental Raw Material Bank (RMB) will supply yarn, dyes and chemicals to the selected marketing agencies at the subsidized rates under the existing Centrally Sponsored Schemes.

**5.5 Forward Support:** There will be two sub-components under this component. (i) Infrastructure Support to be provided to the selected agency as at item No.5.1 above and (ii) the reimbursement of expenditure incurred during the participation of the exhibitions, melas, crafts bazaar, haats, etc.

- (a) The marketing agencies selected by the Selection Committee shall also be provided financial assistance for participating in the marketing events, like, District Level Events, Haats, National Expos, Special Expos and Crafts Melas under the existing Centrally Sponsored Schemes or State Sponsored Events. The Agency should, however, sell only the handloom products of Manipur failing which the name of the Agency is liable to be cancelled from the list of Agencyship. The following rates of financial assistance will be provided:

Sl.No.	Event	Amount in lakh
1.	Participation in any event in the State	0.10
2.	Participation in any event in the North East States	0.30
3.	Participation in any event beyond North East States.	0.50

- (b) Any individual weavers, handloom agencies and organizations of the State shall be provided financial assistance in form of reimbursement towards the expenditure incurred during the participation of any exhibitions, melas, craft bazaar, haats, events, etc. outside the State. Eligible components for the assistance are; (i) fees paid to the organizing agency, (ii) travelling expenses for two persons and (iii) transportation of exhibition items from Imphal to the designated station. A prescribed format will be available through DICs for claiming the assistance to be supported with such documents of actual participation issued by the organizing authority, travelling tickets, transport documents, etc.

#### 5.6 Reimbursement of 10% Rebate:

The marketing agencies selected by the Selection Committee will be provided financial assistance in form of reimbursement @ 10% on the sales of their handloom products. The Agencies will be eligible for reimbursement in two-way. The first will be the reimbursement on the festivals and days approved by the Govt. of India under the existing Centrally Sponsored Scheme of 10% Rebate for the year. The assistance will be borne by the Govt. of India under the ongoing scheme.

The second part will be the reimbursement on the remaining 187 days (excluding 48 Sundays of a year) in a year. The assistance for this part will be borne by the State Government. The rate of assistance will be restricted to 10% on the sales of the handloom products of Manipur.

## **5.7 Publicity Support:**

Publicity assistance will be provided to the selected Agency for installation of hoardings, street/cross banners, wall posters, advertisement both in print and electronic media through cable operators in the respective cities/towns of the depots. A maximum assistance of Rs.1.00 lakh will be provided in the first year of establishment. Thereafter, subsequent assistance of Rs.0.20 lakh will be provided over a period of three consecutive years.

## **6.0: Beneficiaries:**

The ultimate beneficiaries will be the handloom weavers of the State through the marketing agencies (implementing agency). With this introduction, the implementing agency will be able to sell the handloom stocks purchased from the local weavers, thereby expanding the scope for further production/procurement of handloom stocks from the weavers/societies/organizations/councils.

## **7. Budgetary Support:**

The Scheme will be funded 100% by the State for certain components and 100% by the Central Government for those components of the Centrally Sponsored Schemes.

## **8. Implementing Agency:**

A Weaver/Weaver Cooperative Society/ State Level Handloom Organization that fulfills the following criteria shall be taken as eligible agency:

- 8.1 Those who have a minimum average sales turnover of Rs.5.00 lakh in case of individual weaver and Rs.10.00 lakh in case of Cooperative Society and State Level Organization over the past 3 years and having a clear balance of Rs.1.00 lakh in case of individual weaver and Rs.3.00 lakh in case of Cooperative Society and State Level Organization in a Commercial Bank;
- 8.2 Those who have minimum 5 years experiences in marketing and export of handloom products of Manipur.
- 8.3 Those who have participated at least 3 exhibitions/melas/craft bazaar outside the State.

## **9. Terms & Conditions:**

- i) A MOU will be entered between the Department of Commerce & Industries, Govt. of Manipur and selected marketing agencies before the actual opening of marketing establishment. The MOU will contain all the points indicated in the Terms & Conditions in addition to certain other points.
- ii) In case the marketing agencies fail to utilize the amount so released to them properly, the Agency shall repay the entire amount along with a penal interest @ 15% p.a. by the marketing agencies.
- iii) The marketing agencies shall submit ownership documents, lease agreement and its renewal agreement wherever it is required for the sale depots.
- iv) The marketing agencies will buy and sell only the handloom products of Manipur.

- v) The sale depots must be opened in a most suitable and centralized location of a city with a minimum size of 18 sq. metre.
- vi) The sale depots shall be well decorated with a distinct sign board.
- vii) The marketing agencies shall buy handloom products from all categories of weavers as per their requirement and demands in their respective places.
- viii) The marketing agencies shall open a local collection centre for their sale depots.
- ix) The marketing agencies shall submit all such supporting documents for screening of its eligibility.
- x) A Monthly Progress Report (MPR) indicating the volume of purchases and sales shall be submitted to the Director of Commerce & Industries, Govt. of Manipur.

**10. Selection of marketing agencies:**

A Selection Committee will be constituted by the State Government for selection of marketing agencies initially for Cities outside Manipur with the following as the constituent members.

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|---|--------------------|
| 1. Secretary (Commerce & Industries), Govt. of Manipur        | - Chairman         |
| 2. Representative of Finance Department, Govt. of Manipur     | - Member           |
| 3. Representative of Planning Department, Govt. of Manipur    | - Member           |
| 4. Representative of Cooperative Department, Govt. of Manipur | - Member           |
| 5. Director of Commerce & Industries, Manipur                 | - Member Secretary |

**11. Procedures for claim of the above support:**

The Agency shall have to apply for their requirement to the Director of Commerce & Industries, Govt. of Manipur through the District Industries Centres of the State. A prescribed format, wherever it is required shall be issued in all the cases.