

CHALLENGES FACED BY HANDLOOM INDUSTRY

330. SHRI K SUDHAKARAN:

Will the Minister of TEXTILES वस्त्र मंत्री
be pleased to state :

- (a) whether the Government is aware of the severe challenges faced by the handloom industry in Kannur, Kerala, including GST and income tax burdens, rising yarn costs, competition from powerlooms, declining weaver participation, inadequate marketing and financial crises in cooperative societies;
- (b) the steps taken to review and reduce GST rates (5–35%) and income tax (30%) on handloom cooperative societies to enhance their financial stability and competitiveness;
- (c) the measures implemented under the Raw Material Supply Scheme (RMSS) and National Handloom Development Programme (NHDP) to address yarn cost increases and supply chain issues for Kannur's weavers; and
- (d) the details of central funding allocated for skill development at the Indian Institute of Handloom Technology (IIHT) Kannur, digital marketing initiatives and revival of cooperative societies to sustain Kannur's handloom industry and its export potential?

उत्तर
ANSWER
वस्त्र मंत्री (श्री गिरिराज सिंह)
MINISTER OF TEXTILES
(SHRI GIRIRAJ SINGH)

(a) to (c): Ministry of Textiles is implementing central sector schemes such as (i) National Handloom Development Programme (NHDP) and (ii) Raw Material Supply Scheme (RMSS) to promote handlooms and for welfare of handloom weavers across the country including Kannur, Kerala. Under these schemes, financial assistance is provided to eligible handloom agencies/weavers for raw materials, procurement of upgraded looms & accessories, solar lighting units, construction of workshed, skilling, product & design development, technical and common infrastructure, marketing, concessional loans under weavers' MUDRA scheme, social security, payment to awardee weavers in indigent circumstances etc.

GST rates are prescribed on the recommendations of GST Council, which is a constitutional body comprising of representatives from States/UTs & Centre. Handmade textile products mostly attract GST rate of 5%. Regarding income tax burden/reduction in income tax on handloom cooperative societies is concerned, no such demand has been received in this Ministry.

Further, to address the issues of yarn cost increase and supply chain under RMSS, Ministry of Textiles is supplying yarn to handlooms weavers under price subsidy and transport subsidy components through National Handloom Development Corporation Ltd., (NHDC) as Implementing Agency (IA).

(d): IIHT, Kannur is an institution under the administrative control of State Government of Kerala. However, Ministry of Textiles is implementing SAMARTH (Scheme for capacity building in textile sector) with the objective to provide skilling programme on PAN India basis, including Kerala, without any State-wise fund allocation. Under the SAMARTH scheme, as on 17.07.2025, a total of 1,724 beneficiaries have been trained (passed) in Kerala state including Kannur district.

For digital marketing of handloom products, an e-commerce portal (Indiahandmade.com) was launched on 22nd April 2023 to facilitate weavers and artisans across India to sell their products, without involving any intermediaries.
