



**GOVERNMENT OF TAMILNADU**  
**HANDLOOMS, HANDICRAFTS, TEXTILES AND KHADI (D2)**  
**DEPARTMENT**

**G.O.Ms.No.92, dated 12.05.1998**

(Vegudhganya, Chitirai,29, Thiruvalluvar Aandu 2029)

Handloom Industry – Rebate Scheme – Revised Orders Issued

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Read:

G.O.Ms.No.131, HHTK Department dated 28.05.1997

Government Letter No.116929/D2/97-1, HHTK Department,  
dated 26.08.1997

Government Letter No.180, HHTK Department,  
dated 08.09.1997

G.O.Ms.No.59, HHTK Department dated 27.03.1998

Director of Handlooms and Textiles Letter No.48033/97/F,  
dated 19.09.1997

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**ORDER**

In the Government Orders fourth read above, the Government appointed a High Level Committee to study the various problems being confronted by the Handloom weavers and to submit its report to Government within a month. Accordingly, the Committee submitted its report to the Government.

The report contains several recommendations which was placed before the Cabinet for its consideration. Based on the decision of the Cabinet, the Hon'ble Chief Minister had made several announcements on the floor of the Tamilnadu Legislative Assembly on 30.04.1998. The following are some of the announcements made by the Hon'ble Chief Minister relevant to the rebate scheme:

- To permit the Primary Weavers Cooperative Societies and the Cooptex to allow rebate at 20% on whole sale of all eligible handloom goods;
- To permit the Apex Body, namely, the Cooptex to procure handloom goods from the Primary Weavers Cooperative Societies based on its production plan etc. and thereafter prefer claims to the Government for seeking reimbursement of rebate allowed by it to its customers on the sale of all eligible handloom goods; and
- To ensure that in future all rebate claims of both Primary Weavers Cooperative Societies and Cooptex of a particular year are settled on quarterly basis i.e. claims relating to a quarter of a particular year are to be settled in the next quarter of the same year and that the Director of Handlooms and Textiles will be responsible for the sanction and disbursement of the rebate claims promptly on a quarterly basis.

2. In the light of the announcements above and in supersession of the abover Government Orders, the following revised orders is issued in the matter:-

The Government after careful consideration permit both the Primary Weavers Cooperative Societies and Cooptex to allow 20% rebate throughout the year with immediate effect. While allowing the rebate on all retail sales, the following conditions shall be followed:-

- i. In respect of sale of Unit of cotton variety, the maximum rebate allowable shall be 20% or Rs.100/- which ever is less;
- ii. In respect of all silk items, irrespective of cost, for a unit of silk sold under retail sales, the rebate to be allowed shall be at the rate of 20% or Rs.200/- whichever is lesser
- iii. No rebate shall be allowed on sales to Government Departments / Undertakings, including sales arising from schemes like Free Distribution of Sarees and Dhothies under Free Distribution Scheme to Old age pensioners and destitute widows, Janatha Cloth, Supply of Uniforms, Natural clamity releif etc. and

- iv. For the purpose of definition of a unit, the definition given in the annexure to those orders shall be the yardstick to be followed in respect of all retail sales, without exception.

Also as per the recent announcement made by the Hon'ble Chief Minister, the Government have decided to allow the Primary Weavers Cooperative Societies and Cooptex to claim this rebate at the rate of 20% on their wholesale sales of all eligible handloom goods with immediate effect subject to all the conditions as stipulated in the foregoing paragraphs. Therefore the above conditions will henceforth inter alia be applicable in respect of all wholesale sales also.

The Government also permit the Cooptex to henceforth claim reimbursement of rebate, at the rate of 20% (maximum) from the Government on all whole sale sales and retail sales effected by it to its customers on all eligible handloom goods procured from the Primary Weavers Cooperative Societies in Tamilnadu only. However, the rate of rebate reimbursement shall be at 20% on a unit of cotton product sold by its or Rs.100/- which ever is less. Similarly, in respect of sale of a unit of silk, the rate of reimbursement of rebate shall be Rs.200/- or 20% whichever is less.

2. As per the Hon'ble Chief Minister's Announcement, the Government also order that in future all rebate schemes pertaining to the year 1998-99 and thereafter shall be settled promptly on quarterly basis i.e., the claims pertaining to a particular quarter of a year as and when received from the Primary Weavers Cooperative Societies and the Cooptex, shall be scrutinised, audited and sanction ordered for reimbursement of the claim within the next quarter. In this connection, the Government, after careful consideration, accept the proposals of the Director of Handlooms and Textiles shall submitted in his letter fifth read above and accordingly order that the Director of Handlooms and Textiles shall hence forth be responsible for the scrutiny, audit, test-check and disbursement of rebate claims of Primary Weavers Cooperative Societies and the Cooptex promptly, every quarter, after duly following all the necessary formalities and procedures laid down under the scheme, subject to the budget provision made for the purpose. However, while doing som it should be ensured that the quantum of rebate sanctioned, does not exceed, on any account, the budget provision and tht the quarterly budget control is also scrupulously followed. In this regard, the Government also delegate to the Director of Handlooms and Textiles the powers to scrutinise and verify all the rebate claims received by him and also

draw and disburse them to Primary Weavers Cooperative Societies and the Cooptex as per rules, without any delay on a quarterly basis and thereafter forward to the Government audited annual statement of accounts containing the details of disbursement, at the end of each financial year.

3. This order issued with the concurrence of the Finance Department vide its U.O.No.1948/PS/P/98, dated 12.05.1998.

(BY ORDER OF THE GOVERNOR)

**JAYANTHI**

**SECRETARY TO GOVERNMENT**