

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Handlooms and Textiles Department – Implementation of additional 10% yarn subsidy to the Primary Weavers Cooperative Societies with effect from 01-01-2011 –Orders – Issued.

---

INDUSTRIES AND COMMERCE (TEX) DEPARTMENT

G.O.Ms.No. 36

Dated 29-04-2011.

Read the following:-

1. G.O.Ms.No.06, Ind & Com (Tex) Department, dated 08-01-2008.
2. From the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad, Lr.Rc.No. 289/2011-S, dated: 07-01-2011.

\*\*\*

ORDER:-

The Handloom Weavers are depending on the traders for the raw materials, which sometimes result in unchecked escalation in prices and shortage in its availability. The transportation of raw materials from one place to another place increase the costs, putting the weavers in a disadvantageous position. The subsidy on raw materials is a long pending demand from Handloom Weavers in the State and representatives of Weavers Co-operative Societies have been requesting for providing subsidy on yarn and dyes and chemicals which are basic raw materials used in the production of handloom fabrics. The Handloom Sector is facing new challenges in the post WTO regime and to overcome the challenges as well as to utilise the opportunities offered by the free trade and to make the Handloom products competitive in the market, it was felt that there was a need to provide 10% subsidy on the raw materials.

2. The objective of the scheme is to supply good quality and branded Hank Yarn and quality dyes and chemicals through NHDC Yarn Depots set up under Mill Gate Price Scheme and Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), to Handloom Weavers Co-operative Societies for production of quality Handloom fabrics in the State and for this to provide 10% subsidy to Primary Weavers Co-operative Societies.

3. In the reference 1<sup>st</sup> read above, orders were issued to Primary Weavers Co-operative Societies for implementation of the Scheme for Reimbursement of 10% Subsidy on purchase of good quality and branded Hank yarn, and Dyes and Chemicals from National Handloom Development Corporation & Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO) which is to be genuinely utilized for production of handloom fabrics and the Scheme came into effect from 01-01-2008.

4. In the Meeting held on 27-12-2010, among other things, the Government have agreed to provide additional 10% yarn subsidy to Primary Weavers Co-operative Societies with an additional financial commitment of Rs.2.50 Crores per annum apart from the scheme under implementation as per G.O. 1<sup>st</sup> read above. Hence the total reimbursement would be 20% subsidy on the purchase of Hank yarn Dyes and Chemicals from National Handloom Development Corporation & Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), by the Primary Weavers Co-operative Societies, which is to be utilized for production of handloom fabrics, with effect from 01-01-2011.

5. In the reference 2<sup>nd</sup> read above, the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad has stated that during the current financial year the yarn prices have abnormally increased and the representatives of the Primary Weavers Cooperative Societies from various parts of the State are constantly representing for providing additional 10% subsidy on Yarn to subsidize the steep increase in yarn prices. Due to steep increase in Yarn prices, the cost of handloom products being produced by the Primary Weavers Cooperative Societies has increased sharply which negatively affected the sales in the market. In the meeting held on 27-12-2010, it is instructed to provide additional 10% yarn subsidy to the Primary Weavers Cooperative Societies with effect from 01-01-2011. Since it is decided to provide additional 10% yarn subsidy, the guidelines for implementation of additional 10%

(PTO)

yarn subsidy to the Primary Weavers Cooperative Societies will be followed as approved by the Government vide G.O.Ms.No.06, Industries and Commerce (Tex) Department, dated 08-01-2008, for implementation of the Scheme for Reimbursement of 10% Subsidy on purchase of Hank yarn, and Dyes and Chemicals from National Handloom Development Corporation & Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO).

6. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad requested the Government to issue necessary orders for implementation of the additional 10% yarn subsidy to the Primary Weavers Cooperative Societies with effect from 01-01-2011.

7. After careful examination, Government have decided to implement the additional 10% yarn subsidy to the Primary Weavers Cooperative Societies with effect from 01-01-2011 with an additional financial commitment of Rs.2.50 Crores per annum.

8. Accordingly, Government hereby order to implement the additional 10% yarn subsidy to the Primary Weavers Cooperative Societies with effect from 01-01-2011, with an additional financial commitment of Rs.2.50 Crores per annum, apart from the scheme under implementation as per G.O. 1<sup>st</sup> read above, duly following the guidelines issued in the reference 1<sup>st</sup> read above for implementation of the Scheme for reimbursement of 10% Subsidy on purchase of Hank yarn, Dyes and Chemicals from National Handloom Development Corporation and Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO). Hence the total reimbursement would be 20% subsidy to the Primary Weavers Co-operative Societies on the purchase of Hank yarn Dyes and Chemicals from National Handloom Development Corporation and Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), which is to be utilized for production of handloom fabrics, with effect from 01-01-2011.

9. The Commissioner, Handlooms and Textiles and Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad is requested to take necessary action in the matter accordingly.

10. This order issues with the concurrence of Finance (Exp. I&C) Department vide their U.O.No.1286/18/Exp.I&C/2011, dated 05-02-2011.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

RANJEEV R.ACHARYA,  
PRINCIPAL SECRETARY TO GOVERNMENT.

To  
The Commissioner of Handlooms and Textiles and  
Commissioner for Apparel Export Parks, Andhra Pradesh Hyderabad.  
The Managing Director,  
National Handloom Development Corporation (NHDC), 10<sup>th</sup> and 11<sup>th</sup> Floor,  
Vikas Deep, 22, Station Road, LUCKNOW-226 019, Uttar Pradesh.  
The Vice-Chairman and Managing Director, Andhra Pradesh State Handloom  
Weavers Co-operative Society Limited (APCO), Hyderabad.  
The Accountant General, Andhra Pradesh, Hyderabad.  
The Pay and Accounts Officer, Hyderabad..  
The Director of Treasuries and Accounts, Andhra Pradesh, Hyderabad..  
The Finance ( Exp.I&C) / (BG) Department

Copy to:-

The P.S to Secretary to Chief Minister.  
The P.S. to Chief Secretary to Government.  
The P S to Minister for Finance.  
The P S to M(H&T,SM, SSI, K&VIB, PE)  
SF/SC.

// FORWARDED BY: ORDER//

SECTION OFFICER.