

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Handlooms & Textiles - Enhancement of Yarn Subsidy from 20% to 40% on purchase of Yarn, Dyes & Chemicals from NHDC and APCO by Handloom Weavers Cooperative Societies and guidelines -Orders-Issued.

INDUSTRIES AND COMMERCE (Prog.II) DEPARTMENT

G.O.Ms.No. 55

Dated: 08.03.2019.

Read the following:

1. G.O.Ms.No.6, Industries & Commerce (Tex.) Dept., dt:08.01.2008.
2. G.O.Ms.No.36, Industries & Commerce (Tex.) Dept., dt:29.04.2011.
3. From the DH&T, Yerrabalem e-file bearing No.COHT/56/2018-S-COHT.
4. From the DH&T, Mangalagiri, Rc.No.8586/08-T, Dt: .09.2018.
5. Govt. Memo No 15030/4/Prog-II/A1/2018, Dt: 02.01.2018.
6. From the DH&T, Mangalagiri, Rc.No.8586/2008-T, Dt: 25.01.2019.

ORDER

In the reference 1st & 2nd read above, the Director of Handlooms & Textiles, Yerrabalem, has informed that the Government have issued orders for implementation of the "Scheme for Reimbursement of 10% subsidy on purchase of Hank yarn, Silk yarn and Dyes and Chemicals from NHDC & APCO" w.e.f.01.01.2008 vide G.O.Ms.No.6, Ind.& Com. (Tex) Dept., dt:08.01.2008. The Government have issued orders for implementation of the "Scheme for Reimbursement of Yarn subsidy with additional 10% subsidy w.e.f.01.01.2011 (totalling to 20% subsidy) on purchase of good quality and branded Hank yarn and quality Dyes and Chemicals from NHDC & APCO" which is utilized for production of Handloom fabrics vide G.O.Ms.No.36, Ind.& Com. (Tex) Dept., dt:29.04.2011.

2. He has also informed that the Weavers representatives and Handloom Weavers Coop. Societies from various parts of the State have constantly represented for modifications in the scheme so that a part of the amount is distributed to the weavers as Incentive and the remaining to be utilized by the Societies for giving rebate on sale or other production purposes. The Government have issued orders to utilize the amount sanctioned under 20% Yarn subsidy that (i) Out of the amount sanctioned as 20% Yarn subsidy, 50% amount will be credited directly to the members Bank account of the concerned Primary Weavers Cooperative Societies as Production bonus basing on the wages earned by them; and (ii)The societies shall utilize the remaining 50% amount for giving Rebate on Sales or for any other production related purposes vide G.O.Rt..No.384, Ind.& Com. (Tex) Dept., dt:10.11.2016.

3. In the reference 4th read above, the Director of Handlooms & Textiles, has informed that the main objective of this proposal is for enhancement of Yarn subsidy to reduce the cost of Handloom products to compete with Power loom cloth and to attract more consumers in the market. During the current financial year the Yarn, Dyes and Chemicals prices have abnormally increased and the representatives of the Primary Weavers Cooperative Societies in the State are frequently representing for providing additional 20% subsidy (totalling to 40%) on Yarn to compensate the steep increase in yarn prices. Due to increase in Yarn, Dyes and Chemicals prices, the cost of Handloom products being produced in the Primary Weavers Cooperative Societies are escalating which is negatively affecting on sales of Handloom fabrics in the market.

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4. The Director of Handlooms & Textiles, has stated that in the meeting held on 07.8.2018 on eve of National Handloom Day Celebrations, the Hon'ble Chief Minister, Government of Andhra Pradesh have kindly agreed to provide additional 20% Yarn subsidy (totalling to 40%) to the Primary Weavers Cooperative Societies with an additional financial commitment of Rs.11.00 Crores per annum and instructed to provide additional 20% Yarn subsidy (totalling to 40%) to the Primary Weavers Cooperative Societies w.e.f.01.07.2018. He has also informed that an amount of Rs.6.00 crores which is un-utilised under 20% Yarn Subsidy Scheme is sufficient for this Financial Year, even after enhancement of Yarn Subsidy from 20% to 40%.

5. The Director of Handlooms & Textiles, has therefore requested for additional 20% Yarn subsidy (totalling to 40%) and issue orders to utilize the amount sanctioned under 40% Yarn subsidy that "(i) Out of the amount sanctioned as 40% Yarn subsidy, 75% amount will be credited directly to the members Bank accounts of the concerned Primary Weavers Cooperative Societies as Production bonus basing on the wages earned by them and (ii) The societies shall utilize the remaining 25% amount for giving Rebate on Sales or for any other production related purposes."

6. Government after careful examination of the matter hereby order for enhancement of Yarn Subsidy from 20% to 40% on purchase of Yarn, Dyes & Chemicals from NHDC and APCO by Handloom Weavers Cooperative Societies in the State duly meeting the expenditure with an amount of Rs.6.00 crores which is un-utilised under 20% Yarn Subsidy scheme and also hereby issued the guidelines for implementation of enhancement 40% Yarn subsidy on Hank Yarn, Dyes & Chemicals Scheme from NHDC., its Deposits and APCO. The guidelines are annexed to the order.

7. The Director of Handlooms and Textiles shall take necessary action accordingly.

8. This order issued with the concurrence of the Finance (FMU, I&C) Department vide their U.O.No.FIN01-FMU0ASD/97/2018-FMU-IC, dt.19.02.2019. Computer No. 729370.

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

**I.SRINIVAS SRINARESH
SECRETARY TO GOVERNMENT**

To
The Director of Handlooms & Textiles,
Mangalagiri, Guntur District
All District Collectors in the State.
The Accountant General, A.P., Hyderabad.
The Director of Treasury & Accounts, Ibrahimpatnam
All Assistant Directors of H&T in the State.
The Finance (FMU-REV, I&C) Dept.,
All District Treasury Officers
P.S to Hon'ble C.M
P.S to Minister for Handlooms & Textiles
P.S to Secretary to Government (Handlooms & Textiles)
Sf/sc.

//FORWARDED :: BY ORDER//

SECTION OFFICER

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Annexure

G.O.Ms.No.55, Ind.& Com. (Prog.II) Dept., dt:08-03-2019.

Guidelines for implementation of enhancement 40% Yarn subsidy on Hank Yarn, Dyes & Chemicals Scheme from NHDC, and APCO

1. The Weavers Coop. Societies in recent times have been repeatedly requesting the Government to increase the Yarn Subsidy of 20% to 40% due to the increase of raw materials cost and levied GST on purchase of raw materials. It is proposed to increase the yarn subsidy from 20% to 40% on purchase of Hank Yarn and Dyes & Chemicals from NHDC & APCO and utilized for production to the Weavers Coop Societies by its members only.
2. The entire assistance under the scheme will be in the form of Grant from State Government and the enhancement of the scheme of Reimbursement of subsidy on purchase of Hank Yarn and Dyes & Chemicals from NHDC & APCO.
3. The 40% subsidy on Hank yarn and Dyes & Chemicals will be available only on purchase / Procurement of yarn from NHDC, Yarn Depots sanctioned by NHDC and APCO for self-consumption of Handloom Weaver Coop Societies for providing work to weaver members.
4. Subsidy will be allowed only on the Hank yarn, Dyes and chemicals purchased from the APCO & NHDC and its depots and utilized for the production by Societies during the quarter.
5. The Weavers Coop Societies are not permitted to claim any subsidy on the Yarn, Dyes and Chemicals purchased from private yarn dealers, Mills etc.
6. The Weavers Coop. Societies should not claim any subsidy on Yarn, Dyes & Chemicals even if purchased from APCO or NHDC, but not utilized for production of cloth by way of issue of yarn and sold to non-members.
7. The Weavers Coop. Societies shall indicate the details of Yarn, Dyes & Chemicals purchased from NHDC, APCO, Mills and Private Yarn dealers separately in monthly Business Returns and submit the same to the concerned Assistant Director (H&T) regularly on monthly basis and the Assistant Director's (H&T) of the Districts will submit consolidated Business Returns of Primary Weavers Cooperative Societies every month.
8. The claims for subsidy shall be submitted by the Weavers coop. Societies in the Prescribed proforma on Quarterly basis during the financial year within 15 days from the end of the respective quarter and the AD(H&T) after scrutiny shall recommend the claims within next 15 days. All claims in complete shape should reach Head Office within 30 days from the end of the Quarter with the approval of D.L.C. as per the guidelines. Belated claims will not be recommended by Assistant Director's (H&T) in the state for release of subsidy amounts.

9. The Assistant Director (H&T) shall verify the claim w.r.t the invoices of Yarn and Dyes & Chemicals purchased from NHDC and APCO.

10. The Assistant Director (H&T) should also verify the Yarn and Dyes & Chemicals issue Registers, Stock Register, Cash Book and other relevant records and satisfy himself to the effect that the yarn purchased from NHDC & APCO has been issued to the members for production purpose and the finished goods are returned by the members to whom the yarn is supplied, properly accounting for the transactions.

11. The Weavers Coop. Societies maintaining yarn Depots sanctioned by NHDC shall not claim subsidy on yarn and Dyes & Chemicals supplied to other Weavers Coop. Societies OR other agencies. The Assistant Director (H&T) shall enclose a certificate to this effect to Head of the Department.

12. The Weavers Coop. Societies shall certify that subsidy has been claimed only on the Hank Yarn and Dyes & Chemicals supplied to the members and utilized for production on Societies account from out of the Yarn and Dyes & Chemicals purchased from the NHDC and APCO.

- i. The Weavers Coop. Societies shall furnish the claims in the prescribed proforma and invariably furnish attested Xerox copies of invoices/receipts of Hank yarn and Dyes & Chemicals purchased/procured from NHDC, its depots and APCO along with the abstract and the members list with their entitlement duly attested by the concerned Assistant Director (H&T). The entitlement of the weavers towards production bonus shall be arrived on the basis of the total wages earned during the preceding year. (e.g. for the 1st quarter of the 2018 the wages earned during the year 2017-18 shall be taken and for the 2nd, 3rd and 4th quarters of 2019 the wages earned during the year 2018-19 shall be taken into consideration).
- ii. Out of 40% Yarn subsidy, 75% amount will be credited directly to the members Bank accounts of the concerned Primary Weavers Cooperative Societies as Production bonus basing on the wages earned by them and furnish quarterly reports along with bank details of the members to Director, Handlooms and Textiles.
- iii. The societies may utilize the remaining 25% of the amount out of 40% Yarn subsidy for giving Rebate on sales or for any other production purpose.
