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**GOVERNMENT OF ASSAM
HANDLOOM TEXTILES & SERICULTURE DEPARTMENT
DISPUR, GUWAHATI-06.**



No.HTS.235/2013/180

Dated Dispur the 21st October, 2017.

From : Smti Kabita Deka, ACS
Joint Secretary to the Govt. of Assam
Handloom Textiles & Sericulture Department.

✓ To : The Director of Handloom & Textiles,
Assam, Ambari, Guwahati-1.

Sub : Operational guidelines of Yarn Bank.

Ref : No.DHTA.7/2017-18/9, dated 09/06/2017.

Sir,

With reference to the subject cited above, I am directed to furnish herewith the revised operational guidelines of Yarn Bank for favour of kind information and necessary action.

This has the approval of Hon'ble Minister, Handloom Textiles & Sericulture, Assam.

Yours faithfully,

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Joint Secretary to the Govt. of Assam
Handloom Textiles & Sericulture Department
Dispur, Guwahati-06.

D. Barman
31/10/17

DIRECTORATE OF HANDLOOM & TEXTILES

C R. No. *7677*

DATE *31.10.17*

BRANCH *P*

Operational Guidelines of Yarn Bank

OBJECTIVE :

Handloom sector is facing stiff competition from power loom products in the market and in fact is fighting a losing battle against the latter as the Power looms are flooding the market with large quantities of cheap products thanks to their much lower production cost. The difference in labour charges as well as cost of raw materials on the other hand brings large price difference among even handloom products in different parts of the country. As handloom is a labour intensive sector and takes a longer lead time for creating a product, even a small price difference in labour charge brings big difference in price of products, which in turn put the handloom weavers in great difficulties. To mitigate the precarious situation arising out of cost disadvantage of handloom sector and to create an atmosphere conducive for survival of this very important sector and millions of weavers/workers associated with it, the Government have considered it essential to provide explicit subsidy on hank yarn primarily used by handloom weavers.

The Government have therefore decided to set up Yarn Banks in every district headquarter and other important handloom clusters of the state to supply good quality hank-yarns to the genuine weavers at subsidised rates so that they can offer their products at competitive price. The subsidy will be provided upfront to the weaver beneficiary.

2. IMPLEMENTING AGENCY :

- 2.1 The ARTFED will be the implementing agency of the scheme. It will run and manage the Yarn Banks at its own cost.
- 2.2 The ARTFED will procure raw materials from the NHDC under Mill Gate Price Scheme or from other approved sources (whichever is cheaper) without compromising on quality. It will sell the yarns to the weavers through the chain of yarn banks run by it in the state as per requirement and at the rates approved by the committee.

3. ELIGIBLE BENEFCIARY:

- a. The beneficiary must be a handloom weaver of the state.
- b. Individual Handloom Weavers having at least one working Handloom and certified by the district or sub divisional head of the Handloom Textiles department as such, shall be eligible to get yarn from the yarn banks.
- c. Any other agency approved by the ^{Government / Minister} Director, Handloom Textiles, Assam.

4. ELIGIBLE QUANTUM OF YARN :

- 4.1 In case of cotton, acrylic, synthetic etc (Grey, Bleached, Dyed) a weaver will be entitled to a maximum quantity of 2.00 kgs. of hank yarn per handloom per month. In case of silk yarn (including In, Muga, Mulberry) the maximum quantity will be 1.50 kg per loom per month irrespective of whether grey, bleached or dyed. In case of both the total quantity will again be 2.00 KG.

6. IDENTIFICATION OF WEAVERS AND LOOMS :

6.1. A weaver eligible to get subsidised yarns from yarn banks will be identified and certified by the district or sub-divisional officer of the department of Handloom Textiles. The ARTFED will issue "YARN BANK PASSBOOK" to such eligible weavers affixing photograph of the weavers along with a issue number. The pass books will have to be countersigned by respective Asstt. Director/ Supdt., Handloom and Textiles.

Each loom for which subsidised yarn is given shall be marked and a unique ID of the loom embossed in it. The unique ID of the loom shall be entered in the weaver's passbook.

7. QUANTUM OF SUBSIDY FOR REIMBURSEMENT:

7.1. The Yarn Banks will sell hank yarns to the weaver holding passbook at a subsidised rate of 20% below the Mill Gate price or the wholesale price at source. A weaver will be entitled to subsidised yarns for one loom only and the yarns sold to the weaver will be recorded in the passbook. In other words subsidised yarns will be available for actual weaver only.

8. CONTROL AND MONITORING COMMITTEE

To ensure that the benefit of the services of Yarn banks are properly managed and controlled, a committee for control and monitoring of purchase and distribution of yarns will be formed with the following members

1) The Director Handloom and Textiles-

Chairman

2) The Managing Director, ARTFED	Member Secretary
3) Regional Director, NHDC	Member
4) Director Sericulture	Member
5) Director WSC	Member
6) Dulumoni Kakati Last gate Ghty	Member
7) ^{Rajib Gupta,} Mamunji Hora Rukmini Nagar	Member

The committee will meet once in the first week of each month to review and monitor the functioning of the yarn Banks and do all the activities mandated in this standard operating procedure. It may meet more than once in a month depending on the necessity. The committee will also advise on the quantity and variety of yarns of appropriate composition/blends to be purchased for each of the yarn bank separately keeping the need and demand of the weavers under each yarn bank in mind. It will also examine and control the expenditure of the Yarn Banks and fix the commission of the ARTFED for running the Yarn Banks.

Minutes of the meetings will be sent to the GSC

9. FIXATION OF SELLING PRICE:

- 9.1 in the first week of each month (before 7th day) the committee will fix the retail price of yarns for the entire month based on the Mill gate/whole sale price of yarns at source.

- 9.2 The committee will fix the retail price of yarn below 20% of the whole sale/Mill gate price (whichever is low) at which it will purchase at Mill Gate/whole sale market. The 20% subsidy so deducted from the whole sale price will be adjusted against the grant already given for yarn bank. The transport cost shall also be charged on the grant of the yarn bank. Nothing will be charged from the weaver as transportation cost.
- 9.3 The transportation cost reimbursement offered by the NHDC will be drawn and credited to the Yarn Bank account by ARTFED.
- 9.4 The price once fixed shall remain applicable for the entire month. The loss or gain occurred due to change in whole sale or Mill Gate price will be adjusted against the grant as profit or loss.

10. AWARENESS CAMPAIGN:

Awareness campaign will be organised by the ARTFED in association with Asstt. Director/ Supdt., Handloom and Textiles of the district to make the weavers aware of the benefits offered by the Yarn Banks. The intending weavers may be enlisted and given yarn pass books in such camps.

The Asstt. Director/ Supdt., Handloom and Textiles will obtain applications for Yarn Passbooks and issue the same to the eligible weavers after scrutinising the same. Separate guidelines will be issued by the Director Handloom Textiles in this regard.

10. ADMINISTRATIVE AND HANDLING CHARGE:

- 10.1 The ARTFED will get a handling charge of 10% of the total sale of the month. The committee will examine the quantum of business done by the ARTFED and fix the commission of the ARTFED. This amount will be appropriated by the ARTFED from the grant. The ARTFED will also be allowed the handling charge offered by NHDC.
- 10.2 The ARTFED will also get the handling charge of 2% offered by the NHDC.
- 10.3 No additional charge over and above the 10% commission will be available to ARTFED.
- 10.4 The Director Handloom Textiles will engage required number of Inspector/Auditor to audit the expenditures incurred by the ARTFED from the grant in doing the business and fix the commission accrued to ARTFED. This amount after being passed by the committee will be appropriated by ARTFED from the grant.
- 10.5 The ARTFED will maintain separate bank account, cash book, ledger and other books of account against the grant. It will also keep separate stock book against the yarns purchased under the scheme.
- 10.6 The Director of Handloom and Textiles, Assam will send the audited statement of business done and commission & subsidy paid to ARTFED/beneficiary etc. to the Govt. in the HTS department every month.
- 10.7 The Govt in Handloom Textiles and Sericulture Department will make necessary budget provision for continuance of the scheme.

14. PUBLICITY:

14.1 Wide publicity about the scheme will be made through print and electronic media, posters and big hoardings throughout the state. Necessary budget provisions will be made in the budget of the Director, Handloom and Textiles.