#### **CHAPTER XIII: MINISTRY OF TEXTILES**

National Handloom Development Corporation Limited

# 13.1 Implementation of Yarn Supply Scheme

#### 13.1.1 Introduction

The handloom sector is one of the largest unorganised economic sector after agriculture and constitutes an integral part of the rural and semi-rural livelihood which provided direct and indirect employment to 43.32 lakh of Handloom weavers & allied workers as per latest available handlooms census of India 2009-10. Government of India (GoI) introduced Yarn Supply Scheme in 2011-12 in continuation of erstwhile Mill Gate Price Scheme of 1992 to make available all types of hank yarn at the price in which it was available at the Mill Gate to the eligible handloom weavers so as to facilitate regular supply of raw material to the handloom sector and help utilise the full employment potential of the sector.

The National Handloom Development Corporation (NHDC) Limited was set up in February, 1983 in pursuance of the imperative need for a national level Agency to assist the speedy development of the Handloom sector by coordinating all actions covering the procurement and supply of inputs at reasonable prices, augmenting the marketing efforts of state handloom agencies and initiating developmental activities for upgrading the technology in the handloom sector and improving productivity. NHDC functions under the administrative control of the Office of the Development Commissioner (Handlooms).

Yarn, being the main raw material supplied to the handloom sector, is the highest contributor to the turnover of the Company. It contributed 98 *per cent* of the turnover during the period from 2014-15 to 2016-17, as depicted below:

(₹ in crore)

	2016-17		2015-16		2014-15	
	Turnover	Percentage	Turnover	Percentage	Turnover	Percentage
Yarn	2947.55	98.46	2361.20	98.14	2167.30	97.76
Dyes and	45.97	1.54	44.84	1.86	49.48	2.23
Chemicals						
Fabric	-	-	-	-	0.18	0.01

# 13.1.2 Salient features of Yarn Supply Scheme (YSS)

Under Yarn Supply Scheme (YSS), following assistance is provided by the Government of India to NHDC on reimbursement basis:

- I. Freight reimbursement for transportation of hank<sup>1</sup> yarn (all types).
- II. Expenses of operating the yarn depots.

<sup>1</sup> Hank is a coiled or wrapped unit of yarn

- III. 10 per cent Price Subsidy on hank yarn (cotton, silk, wool).
- IV. Service Charges to NHDC as a nodal Company for the services provided under the scheme.

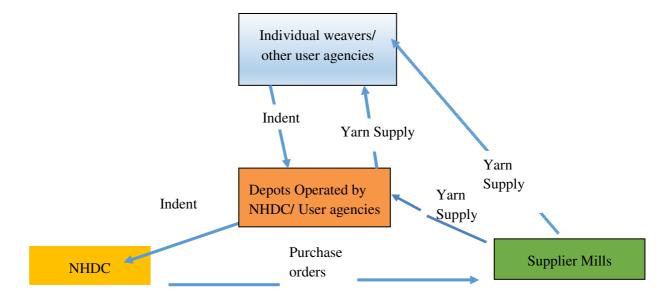
As on 31 March 2017, 21 *per cent* of total hank yarn requirement of handloom sector was fulfilled by NHDC for which the financial assistance received by NHDC from the Government of India during the years 2014-15 to 2016-17 was as under:

(₹ in crore)

Year	10 per cent subsidy	Transportation and	Service charges to	<b>Total Assistance</b>
		depot charges	NHDC	
2014-15	102.68	64.25	49.96	216.89
2015-16	92.75	76.41	53.00	222.16
2016-17	141.73	92.89	68.10	302.72

### 13.1.3 System of Supply of yarn to Handloom Weavers

The system of supply of yarn to Handloom weavers/other user agencies from the supplier mills through NHDC is as per flow chart given below:



### 13.1.4 Audit Objectives

The objectives of audit were to assess:

- (i) Whether the handloom weavers in all parts of the country were adequately covered;
- (ii) Whether sufficient infrastructure was created for timely supply of yarn to weavers /users agencies;

- (iii) Whether sufficient publicity was made for creating awareness among the handloom weavers:
- (iv) Whether sufficient marketing facilities were provided to the handloom weavers;
- (v) Whether a monitoring mechanism was in place in the Company to ensure timely supply of yarn and ensure effective implementation of the Scheme.

### 13.1.5 Audit Scope, Sampling, criteria and Methodology

Audit covered the implementation of the scheme for the past three years i.e. from 2014-15 to 2016-17 in nine states<sup>2</sup> viz. Rajasthan, Haryana, Punjab, Delhi, Uttar Pradesh, Andhra Pradesh, Tamil Nadu, Odisha and Assam out of twenty-nine states and one Union Territory (Puducherry), where the YSS was implemented during these years. Beneficiary verification<sup>3</sup> was also done in five states viz. Tamil Nadu, Odisha, Rajasthan, Punjab and Haryana.

Audit examined the records at the Head Office/ Corporate Office and Regional Offices of the Company covering the implementation of the schemes on the basis of scheme guidelines, report of the Steering Committee on Handlooms and Handicrafts constituted for the twelfth Five Year Plan (2012–2017) and handlooms census 2009-10.

### **13.1.6** Audit Findings

### 13.1.6.1 Inadequate coverage of handlooms

As per the operational guidelines of the YSS, the Company would verify the looms and collect the relevant data for handloom weavers cooperative societies and handloom exporters registered with Handloom Export Promotion Councils. The State Governments would verify and collect the data with regard to Self Help Groups, Joint Liability Groups, weaver entrepreneurs and individual handloom weavers. For the purpose of giving yarn subsidy, the quantity of hank yarn supply to a weaver or to an eligible agency was to be restricted in terms of number of handlooms. Yarn passbooks were to be issued to all eligible individual weavers/agencies to record the quantity of yarn supplied.

The details of geographical distribution of working looms as per census data and coverage of handlooms, issuance of passbooks upto 31 March 2017 are given in **Annexure-XV**.

Audit analysis revealed that the coverage of handlooms under the scheme was not commensurate with the number of handlooms as detailed below:

• Coverage of looms under the Scheme ranged from 0.10 per cent to 25 per cent in 13 states, 26 per cent to 50 per cent in 5 states and more than 50 per cent in 6 states.

Selection of States was made based on volume of sales by NHDC in 30 States/UTs. For this, State wise sales was arranged in descending order and four states were selected from top 10 states, 3 states were selected from middle 10 states and two States were selected from bottom 10 States on simple random sampling basis

<sup>&</sup>lt;sup>3</sup> 282 individual weavers / 111 Societies/exporters/other user agencies

• The coverage of looms was very poor in North Eastern States except Sikkim, i.e. Nagaland, Tripura, Arunachal Pradesh, Mizoram, Assam, Meghalaya and Manipur which ranged from 0.10 *per cent* to 6.66 *per cent* though these states were having 65 *per cent* of total handlooms of the country. Although emphasis was to be given to the weavers/user agencies located in the North Eastern Region as per the scheme guidelines, the Company was not able to give adequate coverage to the handlooms in the North Eastern States.

The Company stated that passbooks were issued to all eligible agencies and individual weavers by the Company as per scheme guidelines. So far as coverage in North Eastern States was concerned, there was no manufacturing mill in the north eastern region and transportation facilities there were also not adequate. However, the Company also stated that it was exploring the facilities to enhance the supply of yarn in North East Region.

## 13.1.6.2 Low coverage of individual weavers

The individual weavers covered under the scheme either worked from their home independently by buying yarn directly from NHDC depots or they were registered with the Co-operative Societies, Exporters/Weaver Entrepreneurs on job work basis. Out of total 23.77 lakh loom as per census 2009-10 (Annexure-XV), 4.58 lakh looms were covered under the scheme upto 31 March 2017. This comprised of 2.08 lakh handlooms (45.41 *per cent*) of individual weavers and 2.50 lakh handlooms (54.59 *per cent*) of Societies/Exporters/Weaver Entrepreneurs

The user agency wise details of disbursement of 10 per cent subsidy are given at **Annexure XVI A, XVI B** and **XVI C** respectively.

Audit analysis of the state wise and user agency wise details of disbursement of 10 *per cent* subsidy during the years 2014-15, 2015-16 and 2016-17 revealed that out of a total subsidy of ₹337.16 crore (₹102.68 crore, ₹92.75 crore and ₹141.73 crore respectively), only ₹0.85 crore (₹0.32 crore, ₹0.05 crore and ₹0.48 crore respectively) was disbursed to individual weavers. Share of total subsidy passed on to individual weavers during 2014-15 to 2016-17 was 0.31, 0.06 and 0.34 *per cent* respectively.

The low coverage of Individual weavers under YSS was mainly due to:

- Lack of sufficient infrastructure facilities
- Lack of awareness of the scheme among weavers due to inadequate publicity
- Lack of marketing facilities

Low coverage due to above reasons is discussed in detail in subsequent paragraphs.

### A. Inadequate infrastructure facilities

# A.1 Inadequate operation of Depots by NHDC

Considering the constant problems faced by the handloom weavers in obtaining timely supplies of yarn in remote, interior and distant places, Clause 6 of YSS envisaged that yarn depots were to be operated to facilitate timely supplies of yarn. During XII plan

period (2012-2017), the Company was to set up more yarn depots with better and wider spatial distribution to solve the problem of delay in supply of yarn.

Audit observed that the Company operated 18 Warehouses/Depots till 2013-14 when the scheme was made operational, but no warehouse/depot was opened subsequently.

# **A.2** Finalisation of MoU parameters

The target for increase in the number of yarn depots was incorporated as a parameter in the Memorandum of Understanding (MoU) signed between the Company and the Ministry of Textiles upto the year 2013-14, but the same was discontinued in the MoUs from the year 2014-15. Hence, the evaluation of the Company since 2014-15 was done by the Ministry of Textiles without this parameter. No recorded justification for discontinuance of this parameter was made available to audit.

The Management replied that MoUs were prepared as per guidelines of Department of Public Enterprises (DPE) and targets were achieved accordingly.

The reply of the Management is to be viewed in the light of the fact that as per MoU evaluation process prescribed by DPE, choice of individual non-financial parameters was left to the combined wisdom of the CPSE, Administrative Ministry and the Task Force. Further, all parameters were required to be SMART (i.e. Specific, Measurable, Attainable, Result-oriented, Tangible) and objectively verifiable. Since the operations of Yarn Depots was an important element of YSS and was in line with the above mentioned parameters i.e. SMART and objectively verifiable, discontinuance of the same without any recorded reason was not justifiable.

# **A.3** Disproportionate allocation of Depots

A total number of 935 depots were being operated by the User Agencies/NHDC throughout the country as on 31 March 2017, to cover 28,68,319 number of handloom weavers as per Handloom Weaver Information System (HWIS) of Ministry of textiles, Govt. of India (**Annexure XVII**). In this regard, it was observed that:

- Number of depots set up in the States were not proportionate to the number of eligible Handlooms/weavers in that state. In the States of Bihar and Rajasthan, only two depots in each State were being operated to cover 25,510 and 22,841 handloom weavers respectively i.e. one depot to cater 12,755 and 11,421 handloom weavers respectively, whereas in the States of Tamil Nadu and Uttar Pradesh 230 and 156 number of depots were being operated to cover 2,22,901 and 1,24,949 handloom weavers respectively i.e. one depot to cater approximately 970 and 800 handloom weavers respectively in these two states.
- Out of 935 depots, only 128 depots were in NER States<sup>4</sup>, though 59 *per cent* of the total handloom weavers were in these states. Assam having largest (44 *per cent*) number of handloom weavers (12,51,816) had only 25 depots i.e. more than 50,070 weavers were to be covered by each depot. Further, there was only one

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<sup>&</sup>lt;sup>4</sup> Arunachal Pradesh, Assam, Manipur, Mijoram, Meghalaya, Nagaland, Sikkim and Tripura

depot in the state of Nagaland, despite having 61,673 number of handloom weavers.

- There was no depot facility in 30 districts including 25 districts in the North Eastern states (Assam-12, Arunachal Pradesh-3, Mizoram-3 and Nagaland-7) out of 105 districts in 9 states<sup>5</sup> having 5000<sup>6</sup> or more weavers. The distance from the nearest depots available to these 30 districts was ranging from 24 kms to 334 kms. District wise details of nearest depots available is given in **Annexure XVII A.**
- Forty six *per cent* of the individual weavers surveyed, stated that they did not have any depot within 20 kms of their location.

The Management stated that the Depots were allotted to the user agencies on receipt of applications after verifying their eligibility as per the prevalent process of the Company within the budget limits.

The reply has to be viewed against the fact that it was the responsibility of the Company also to set up depots as envisaged in the Scheme. In the absence of depot facility, the weavers procured yarn from the open market and could not avail the benefits of YSS.

## A.4 Non appointment of persons in major clusters

As per Clause 5.3.2 of YSS, in order to reduce the delivery period and supply smaller quantities as well to the handloom weavers/agencies in lesser time, the Company was required to appoint one person each on contractual basis at 50 to 75 major clusters, who would collect the indents from the handlooms weavers in that cluster, submit the same to the nearest NHDC warehouse in the state and distribute the yarn to the concerned handloom weaver with the relevant invoice and collect the balance payment, if any.

Audit observed that the Company did not engage any person in any state, even in 18 warehouses/depots operated by the company, to cater to handloom weavers as envisaged in the scheme.

The Management replied that as per practice the indents were being received through branch offices, emails, mobile applications, fax, SMS and other electronics modes to speed up the supplies of yarn. Further the documents for supplies were also being forwarded to user agencies in the same manner. At present ERP system implemented in the Company takes care of indenting by user agencies, payment made through mobile app & internet banking and supply thereto. Moreover, the user agencies can track their order/supplies positions through ERP system and E-dhaga mobile app.

The reply is not tenable because user agencies particularly individual weavers in remote areas may not have access/knowledge about the mobile app and internet banking system which is evident from fact that coverage of individual weavers was very low as discussed under Para 13.1.6.2.

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Tamil Nadu, UP, Rajasthan, West Bengal, J&K, Assam, Arunachal Pradesh, Mizoram and Nagaland
As per Comprehensive Handloom Development Scheme, Financial Assistance is provided to clusters having 5000 handlooms per cluster

### **A.5** Non operation of Mobile Vans

Clause 7 of the operational guidelines of YSS requires that to reach the weavers in remote areas, user agencies/the Company needs to operate mobile vans periodically, so that weavers were not affected due to non-availability of yarn. Upto 40 mobile vans could be operated in such a manner that facility of at least one mobile van was available in each state.

Audit observed that no mobile vans were deployed in any state (even in North East states) which would have facilitated reaching out to the weavers especially in the remote areas thereby minimising the delay in supply of yarn from the depot to the weavers.

The Management assured that if necessary, the yarn supply through mobile van would be operated.

### B. Lack of awareness of the scheme among weavers due to inadequate publicity

Clause 9 of the operational guidelines of YSS stipulates that focused publicity of the scheme was to be done through newspapers in vernacular languages, printing and distribution of pamphlets and hand bills, pasting of posters, wall paintings and Buyers-Sellers Meets etc.

Audit observed that the expenditure incurred on Publicity and Business Promotion by the Company during the years 2014-15 to 2016-17 was ₹11.27 lakh, ₹33.74 lakh and ₹39.88 lakh respectively, mainly for organising 16 Buyer seller meets. No other modes such as publicity in newspapers in vernacular languages, printing and distribution of pamphlets and hand bills, pasting of posters etc. were used which would have been more useful in creating awareness of the schemes amongst weavers in rural and remote areas.

The Management replied that publicity of scheme is available on the website of the Company/Ministry of Textiles/Development Commissioner (Handlooms) etc. Further, the Company has organised sensitisation programme in various States. Management also assured that if necessary to create further awareness among weavers about the scheme, the more expenditure on publicity and awareness would be done.

While utility of above modes of publicity adopted by the Company is not denied, audit would suggest that the Company should adopt other methods of publicity to create awareness of the scheme amongst weavers in remote areas keeping in view low coverage of individual weavers.

### C. Lack of marketing facilities

One of the Corporate objectives of the Company was to take up development programmes so as to contribute to increasing the awareness of schemes/products and marketing avenues etc. Further, the activities of the Company as per YSS were intended to create marketing opportunities for higher output.

Audit observed that during the year 2016-17, the Company organised 16 Buyer seller meets (3 in North eastern regions and 13 in other than NER) and 21 silk fab exhibitions out of which only one was held in North Eastern States, 3 wool fab exhibitions at Lucknow, Bhopal and Jabalpur and one national expo exhibition at Ahmedabad wherein only cooperative Societies were provided space for exhibiting their finished goods. The Company did not provide any platform for marketing the handloom products of individual weavers. Therefore, the individual weavers had to depend on the master weavers and handloom societies for marketing their products.

The Management has replied that the corporation was providing research and developmental activities of new product by using different kind of yarn for the benefit of handloom weavers and commencement of fabric business from cluster by opening Handloom Fabric Division & extend market aggregator. The corporation was providing a niche marketing platform to weavers for development of products as well as extending marketing support for sale of their product.

The reply is not tenable as the Company provided marketing facilities to the Cooperative Societies only and not to the Individual Weavers to sell their own products and get benefits of the Scheme.

### 13.1.6.3 Reimbursement of depot charges to exporters

The Recommendations of the Steering Committee on Handlooms and Handicrafts Constituted for the twelfth Five Year Plan (2012 - 2017) specifically stated that thrust should be to make yarn available at competitive prices to handloom weavers only and care should be taken that support was not cornered by exporters, merchants, etc.

Audit observed that exporters were operating most of the depots in Haryana and Tamil Nadu. Out of 93 depots in Haryana, 89 depots (96 *per cent*) were operated by exporters. Similarly, in Tamil Nadu out of 230 depots, 101 depots (44 *per cent*) were operated by exporters. They received yarn from the Company for their own consumption and operated depots in their own premises which were in urban areas. The exporters claimed reimbursement of depot charges of ₹53.68 crore during the years 2014-15 to 2016-17.

The Management replied that Reimbursement of depot charges to the exporters was made as per the guidelines lines of YSS.

While it is correct that exporters were also covered as beneficiaries under the scheme guidelines, non-availability of adequate number of depots to the individual weavers in the above states defeats the main objective of operating of Yarn Depots which was to provide the timely supplies of yarn in remote, interior and distant places to the Handloom Weavers.

Mumbai, Ahmedabad, Ernakulum, Surat, Jabalpur, Kolkata, New Delhi, Bengaluru, Chandigarh, Coimbatore, Lucknow, Indore, Hyderabad, Bhopal, Patna, Pune, Guwahati, Vijayawada, Raipur, Jammu and Bhubaneshwar

### 13.1.6.4 Delay in delivery of Yarn beyond the Stipulated Delivery period

As per process explained in Figure-1 under Para 3, handloom weavers/user agencies place indent on depots operated by NHDC/other user agencies which are forwarded to regional offices of NHDC. On receipt of these indents, NHDC places purchase orders on Supplier Mills. These mills then deliver the yarn directly to the indenters and send invoices to the Company. As per clause 5.3 of YSS, this process involves a normal delivery period of 10-15 days from the mills in the southern states to the handloom weavers/user agencies in northern states and 30-60 days in North Eastern States.

The Company being the facilitator for supply of yarn to the weavers needed to closely monitor the delivery of yarn within the prescribed time limit. Audit, however, observed that the mills did not supply yarn to the user agencies within the delivery period as stipulated in the scheme. The Company also did not monitor the delivery of yarn to ensure timely supply to the weavers. Resultantly, the mills unduly delayed the supply of yarn in 55.93 per cent of total purchase orders placed in 2016-17. In respect of North Eastern States, 67 per cent of purchase orders placed were delayed. The state wise details of instances where the delivery time was more than the stipulated time are detailed in Annexure XVIII. This delay has been worked out with reference to difference between indent date and Lorry Receipt date after deducting normal delivery period as per YSS. Audit further observed that ERP system of the Company does not contain any field to capture Goods Receipt Note (GRN) date, in the absence of which, further delay on the part of transporters could not be ascertained.

The Management replied that some of the big agencies and exporters were giving their bulk requirement as per their production plan and supply was arranged periodically as per their requirement. So far as other users were concerned, the delay was caused mainly due to production plan of the manufacturing mills. At present in the ERP system, a provision was made for the facilitation of mills, wherein the mills can take directly the details of purchase orders issued and also they can fill the data of their supply shipments. Hence in future the delivery period will be reduced.

The reply is not tenable as there were no conditions stipulated in the Purchase orders which allowed the Mills to supply the yarn as per production plan of buyer agencies/exporters as the whole quantity ordered was required to be supplied within 15 days. So far as reply regarding delay due to production plan of manufacturing mills is concerned, as per YSS, NHDC was required to draw up a viable procurement plan much in advance, to ensure that the supplies were made without interruption from the nearest mills situated in the same or nearby states. However, NHDC had no system in place to monitor timely supply of yarn by the Mills to the user agencies, in the absence of which, the User agencies were deprived of timely supply of yarn in most of the cases.

#### 13.1.6.5 Violation of Yarn Supply Scheme in respect of placement of indents

Clause 10.6.4 of Yarn Supply scheme stipulates that the indent of the individual weavers and other eligible agencies would be routed through depot operating agency. For placing the indent with NHDC & affecting the supplies through depot, the depot operating agency would maintain the proper records, which could be verified by the NHDC on random basis.

However, test check of records pertaining to Regional Office Varanasi of the Company, revealed that seven co-operative societies in the districts of Barabanki, Moradabad, Ambedkar Nagar and Sitapur, which were not operating yarn depots, directly placed indents of other weavers along with their own indents during 2016-17. The Company, instead of directing these co-operative societies to advise individual weavers to route their indents through depots of the Company/user agencies in these districts, accepted these indents of individual weavers and supplied yarn to them in violation of YSS.

The Management stated (December 2017) that the supply has been arranged to the individual weavers through societies who were not having the depots as per the clause 10.4 and 10.6 of YSS scheme. The yarn has been supplied to an individual handloom weaver as per the clause 10.4 (2) and 10.6 (5) of the scheme i.e. the subsidised yarn will be supplied either to an individual handloom weaver or to his agency but not to both.

Reply is not tenable because the clause 10.4 and 10.6 of YSS, are regarding eligible quantity & type of Yarns to be supplied and general guidelines for supply of yarn respectively. Clause 10.6.4 of Yarn Supply scheme is specifically for placement of indents and record keeping which categorically states that all the indents are to be routed through depots. Consequently, the Company could not exercise any control over the genuineness of the supply of yarn to the individual weavers on whose behalf the societies placed the indents. Further, the envisaged purpose of operating depots remained unachieved as there was no sale in the yarn depots operated by the Company in 2016-17 in Moradabad and Sitapur districts.

### 13.1.6.6 Deficiencies in the ERP system

The Company maintained all records relating to supply of yarn in Tally software. The Company installed new ERP system in 2016-17 and the same was in stabilisation stage (March 2017). The Company fixed the monthly quota of yarn against each passbook holder under the 10 per cent yarn subsidy scheme by maintaining an agency master in the system. Detailed examination of 105 sales invoices for supply of yarn made under 10 per cent Subsidy Scheme to Madina Handloom Wvrs Coop Society during the year 2016-17 under RO Varanasi of the Company revealed that quantity of yarn supplied as appearing in the Sales invoice did not match with the quantity of yarn shown as supplied to individual weavers in the list attached with the sales invoice. In three instances, the quantity of yarn showed to be issued to individual weavers was more than the quantity indicated in sales invoice whereas the same was less in 8 cases (Annexure XIX). This was an indication of improper maintenance of data on the basis of which subsidy on the supply of yarn was claimed.

The Management stated (December 2017) that the indent was received from individual weavers from depot operating agency as per the guidelines of YSS 10.6.4 and processed accordingly in the ERP system. As observed by audit, the quantity of yarn supplied to individual weavers was not matching with the sale invoice. However, the same was matching with indent available in the ERP system. So there was no excess or less supplies as per the indent placed by the individual weavers through depot operating agency.

Reply is not tenable because the quantity of yarn supplied to individual weavers was required to be matched with sales invoice to ensure the genuineness of supply of yarn to

the individual weavers. As there was a difference between invoiced quantity and quantity shown to have been supplied, the correctness of quantity of yarn supplied could not be ensured. Further, with the existing ERP system of the Company, the individual weaver wise sale report of yarn particularly in case of those who were getting yarn through depot operating agencies, could not be generated as the sale of yarn to those individual weavers were booked under the sale of depot operating agencies. Consequently, the supply made by the depot operating agency to individual weavers could not be verified from the ERP system.

#### 13.1.7 Conclusion

The envisaged objectives of Yarn Supply scheme were not fully achieved since only 4.58 lakh handlooms were covered under the scheme out of 23.77 lakh handlooms in the country as per census 2009-10. Majority of share of subsidy was passed on to the exporters and large Co-operative societies rather than to individual weavers even though they own 45 per cent of the handlooms in the country. The main reasons for low coverage of the individual weavers were insufficient infrastructure facilities such as depots, mobile vans etc., lack of publicity and awareness about the scheme and inadequate marketing facilities. Resultantly, the individual weavers were deprived of the benefit of purchasing smaller quantity of yarn from the nearest depots in the minimum delivery time and remained dependent on the master weavers and handloom societies for marketing of their products. During 2014-15 to 2016-17, the Company reimbursed ₹53.68 crore as depot charges to exporters registered as beneficiaries in Haryana and Tamil Nadu though these exporters were using all the yarn for their internal consumption without any further supply to individual weavers. The monitoring mechanism was not effective, which resulted in delay in supply of yarn.

#### 13.1.8 Recommendations

Audit recommends that the Company may consider:

- Devising a suitable strategy to cater to the needs of handloom weavers in North Eastern region and other under-fed areas.
- Giving priority to operate mobile vans for timely supply of yarn from depots to weavers.
- Increasing number of depots especially in the areas having more concentration of weavers.
- Increasing awareness of the scheme by using various modes of publicity prescribed under Scheme guidelines to ensure adequate coverage of individual weavers and providing sufficient avenues to these weavers for marketing of their products.

The matter was referred to the Ministry in December 2017; their reply was awaited (February 2018).