

TEXTILES COMMITTEE

(Govt. of India, Ministry of Textiles)

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C I R C U L A R

To

All the Officers In Charge of Regional Office of the Textiles Committee and all the officers & QAOs of EP&QA Division and TQM division at Hqrs. & ROs

Sub: Simplification of procedures on implementation of Handloom mark Scheme

You are aware that the O/o Development Commissioner of Handlooms, Ministry of Textiles, Govt. of India has launched the Handloom Mark Scheme on 28th June 2006 for the promotion of the Handloom Industry and engaged Textiles Committee as the Implementing Agency. Based on the experience gained over a period of two and half years and the difficulties expressed by registered users, it was proposed to effect amendments in the scheme, simplifications in the procedures and revision of forms / formats. Therefore letter No. TC/MDS/HLM/5299/2008 dated 24.11.2009 was issued to all regional offices seeking suggestions to streamline the implementation process.

The amendments and simplifications required in the scheme and procedures were presented to DC(HL) during the review meeting held on 19.02.2009 at Udhog Bhavan, New Delhi. A committee was constituted by DC(HL) to look into technical merit of the proposals for amendments and simplifications. The said committee in its meetings held on 04.03.2009, 02.04.2009 and 20.5.2009 has recommended certain amendments in the scheme and simplifications in the procedures & formats. The recommendations of the said committee, as approved by DC(HL), are produced below for compliance.

1. Categories of Users:

- a. In addition to the existing seven categories of users, a new category "Others (OTH)" has been included to cover Self Help Groups (SHG), Consortia, Producers Companies, Joint Liability Groups (JLG), Handloom Weavers Groups (HWG) etc., identified under Integrated Handloom Development Scheme (IHDS) or any other legal entity or any other organization involved in handloom related activities and approved to avail benefits under any other scheme of DC(HL). Any other organization willing to participate in the scheme shall be permitted with the approval of the O/o DCHL. However NGOs are excluded from this category.
- b. The registration fee for this category of applicants has been fixed as Rs. 500/- (Rs. Five Hundred only).
- c. The registration shall be done after On-site verification for Others (OTH) category. However, if the registration is required before onsite verification, the same may be done on the recommendation of DC (HL) or the concerned State government authorities.

2. Application Fee and Registration Fee:

- a) The application fee is waived for all categories of applicants.
- b) The registration fee for Individual Weaver (IW) category has been reduced from Rs. 100/- (Rs. One Hundred only) to Rs. 25/- (Rs. Twenty-five only).
- c) The registration fee for the Master Weaver (MW) category has been reduced from Rs.2000/- (Rupees Two thousand only) to Rs.500/- (Rupees Five Hundred only).
- d) The applicants shall pay applicable registration fee at the time of submission of application or at the time of registration according to their choice.

3. Application Form:

- a) The application form in prescribed format common to all categories is to be used in place of category wise application forms. The prescribed application format is enclosed.
- b) The application has to be submitted in duplicate. As a token of receipt of application, the duplicate copy to be returned to the applicant duly allotting the application no. with the signature of the dealing assistant.

- c) The attestation by Chartered Accountant (C.A.) in the application for the procurement / production and sales statement is dispensed with.
- d) The scrutiny of application shall be carried out by the concerned Regional Office instead of Zonal Office to avoid delay in processing the application.
- e) As a special dispensation, the registration of Primary Handloom Co-operative Societies (PCS) is done before on-site verification on the basis of attestation in the application by the concerned State Handloom Department at present in three States i.e. Tamil Nadu, Andhra Pradesh and West Bengal. Now this practice has been extended to the states of Orissa, Karnataka and Kerala.
- f) At present, registration under handloom mark scheme is done before onsite verification for Manufacturer Exporter and Merchant Exporter categories based on the attestation by Chartered Accountant (C.A.) in the application. Now, in lieu of dispensation of attestation by C.A, the practice of registration for these categories under handloom mark scheme before onsite verification shall be extended, if required, only to those applicants who are registered exporters of Textiles Committee.
- g) The registration when done before onsite verification for above said categories shall be provisional. Such a provisional registration would need to be confirmed after onsite verification, which shall be within 3 months of the provisional registration.

4. On-Site Verification:

- a. The on-site verification team is to be constituted by the concerned Regional office (RO) of Textiles Committee instead of Zonal Office.
- b. In case of Individual Weaver category, one member team comprising technical staff of Textiles Committee shall be constituted for on-site verification.
- c. For all other categories, the team for onsite verification shall comprise two members; one from the Textiles Committee and the other from the State Handloom Department/ Weavers' Service Center. In case of non-availability of any staff from the State Handloom Department/ Weavers' Service Center; both the team members may be drawn from the Textiles Committee technical staff. In case of non-availability of technical staff, one of the team members could be non-technical staff of the Textiles Committee. However it

must be ensured that at least one of the team members is a technical staff of the Textiles Committee.

- d. The officer in-charge shall select the team members from the concerned RO. In case of non-availability of staff at RO, the officer in-charge shall draw team members from concerned State handloom department / Weavers' Service Centre (WSC) or from near by Regional office of Textiles Committee in consultation with ZO / HO.
- e. The on-site verification form in the prescribed format common to all categories shall be used in place of category wise on-site verification forms. The prescribed on-site verification format is enclosed.
- f. In case of Apex Handloom Societies (AHS) & Handloom Corporations, verification of suppliers is dispensed with. Instead, the procurement records to the extent of minimum 10 % to be verified at their office during onsite verification. This facility shall be extended only to the Apex Societies under the control of State Governments. A letter/document to be obtained to evidence the control under the State Government.
- g. For all other categories, except Individual Weaver, 10% of the suppliers / members selected at random subject to a minimum of 2 and a maximum of 5 suppliers / members shall be verified.
- h. At present during on-site verification, photocopies of procurement, production and sales records / registers are insisted upon from the applicant. Instead, a summary statement of procurement, production and sales for the previous year may be obtained from the applicant and verified with the parent records.
- i. During on-site verification, the practice of running the handloom for 30 minutes for estimation of production is dispensed with. Instead, production capacity may be estimated by the team for the installed handlooms based on work practices and professional judgment. The production so estimated shall be verified with production records.
- j. The label eligibility may be assessed based on procurement, production and sales records or the statement and / or declaration by the applicant.
- k. The on-site verification process shall be completed within three months from the date of receipt of application.

5. Registration

- a. On completion of onsite verification, the scrutiny of onsite verification report shall be carried out at RO level and registration or rejection or confirmation letter, as applicable, shall be issued to the applicant by the concerned RO.
- b. The issuance of ID card to the registered users is dispensed with for all the categories.
- c. In case the registered user has not purchased the Handloom Mark Labels for more than 2 consecutive years, appropriate verification measures including physical verification shall be carried out to ensure their existence as registered users under the scheme.

6. Supervision by HO / ZO

- a. Head office / Zonal office shall coordinate with the regional offices and ensure timely registration and supply of labels.
- b. The scrutiny of application and onsite verification report is now assigned to the concerned regional offices instead of ZO. Therefore HO / ZO shall henceforth exercise control and verify these activities at least to the extent of 10% to ensure smooth implementation.

7. Issuance of label:

- a. The concerned Regional office shall ensure that the agreement with registered user is executed before the first label purchase by the registered user. The revised format enclosed herewith shall be used henceforth for executing agreement with registered users.
- b. The requirement of self-certification for Handloom origin by the registered users during every label purchase is dispensed with.
- c. The label entitlement for subsequent years may be assessed based on the previous year's label consumption or any documentary proof for additional label requirement such as purchase orders, export orders etc.

8. Maintenance of Registers & Records:

- a. For the sake of maintaining uniformity the existing registers, forms, formats, letters of correspondence etc related to implementation of Handloom Mark

have been reviewed and simplified. The details of existing formats to be continued, revised & new formats to be used and formats withdrawn are as under.

Sr. No.	Particulars	Enclosure No.
1	Label issue / consumption pass book	Existing format to be continued
2	Weekly performance report	Existing format to be continued
3	HLM label record	Existing format to be continued
4	Application form	I
5	On-site verification checklist	II
6	Handloom mark registration letter (For applicants registered before on-site verification)	III
7	Handloom mark registration letter (For applicants registered after on-site verification)	IV
8	Letter for label entitlement under handloom mark scheme	V
9	Letter for confirmation of handloom mark registration number (For applicants registered before on-site verification)	VI
10	Letter for cancellation of handloom mark registration number (For applicants registered before on-site verification)	VII
11	Letter for rejection of application for handloom mark registration (For applicants to be processed for registration after on-site verification)	VIII
12	Agreement format	IX
13	Letter for issue of handloom mark labels	X
14	Letter of expression of interest to retain registration under the handloom mark scheme	XI
15	Application cum registration record (Category wise)	XII
16	Label stock register (Category wise)	XIII
17	Label issue register (User wise)	XIV
18	Monthly income details	XV
19	Handloom mark scheme - Pendency details of on-site verification	XVI
20	Report on promotional events of handloom mark scheme	XVII
21	Label consumption report	**
22	Denial letter (Application Inadequate)	Withdrawn
23	Forwarding letter to JD	Withdrawn

Sr. No.	Particulars	Enclosure No.
24	Appointment team for on-site verification	Withdrawn
25	Letter for reconciliation statement	Withdrawn
26	Letter for clarification statement	Withdrawn
27	Forwarding letter to ROTC	Withdrawn
28	Inviting application for registration	Withdrawn
29	ID card format	Withdrawn
30	Inviting for annual renewal	Withdrawn
31	Annual renewal letter of registration	Withdrawn
32	Authorization letter	Withdrawn

** The label consumption report format will be reviewed in due course depending upon the modification of labels

9. Reporting System and Statements:

a. The reports and statements required to be sent to Zonal office and Head office is reviewed and revised as under for compliance.

Sr. No	Particulars	Periodicity	Reporting to
1	Weekly performance report	Weekly	HO & ZO
2	HLM label record	Weekly	HO
3	Monthly income details with receipt copy (Green copy)	Monthly	HO
4	HLM - Pendency details of on-site verification in the prescribed format (Pending for more than 3 months)	Monthly	HO & ZO
5	Report on promotional events of HLM scheme such as seminar, awareness programs, exhibitions etc.	After the event	HO & ZO
6	Copy of Handloom mark registration letter (For applicants registered before on-site verification)	Monthly	HO & ZO
7	Copy of Handloom mark registration letter (For applicants registered after on-site verification)	Monthly	HO & ZO
8	Copy of Letter for label entitlement under handloom mark scheme	Monthly	HO & ZO
9	Copy of Letter for confirmation of handloom Mark registration number (For applicants registered before on-site verification)	Monthly	HO & ZO
10	Copy of Letter for cancellation of handloom mark registration number (For applicants registered before on-site verification)	After cancellation	HO & ZO

Sr. No	Particulars	Periodicity	Reporting to
11	Copy of Letter for Rejection of application for handloom mark registration (For applicants to be processed for registration after on-site verification)	Monthly	HO & ZO
12	Copy of Letter for issue of Handloom Mark labels	After issue of labels	HO

10. Miscellaneous:

- a. The cost of stamp paper meant for executing agreement with registered users shall not be collected from the applicants.
- b. The HLM petty cash shall be utilized for purchase of stamp paper, courier charges, stationery, photocopy charges and other incidental expenses related to the implementation of HLM Scheme. However, the HLM petty cash shall not be used for expenditure under planned heads such as seminars, awareness programmes etc.

This comes into force with immediate effect.

(PRADEEP GUPTA)
Secretary