

## Yarn Bank Scheme

Ministry of Textiles Govt, of  
India

### § Scheme Summary/key features:

To provide interest free corpus fund to Special Purpose Vehicle (SPV) / Consortium to enable them to purchase yarn at wholesale rate and give the yarn at reasonable price to the small weavers.  
To avoid middle man/ local supplier's brokerage charge on sales of yarn.

### •Eligibility:

Minimum 11 members required to form Special Purpose Vehicle (SPV).

The Members of SPV should be Power loom Weavers, Master Weavers, Co-operative Societies, Private Entrepreneurs, NGO's working for Power loom Sector. SPV has to provide Bank Guarantee to the extent of 25% of Govt. of India share.

SPV shall arrange their own fund equal to Government contribution.

SPV shall rotate the corpus fund including their contribution at least 4 – 5 times in a year.

### § Amount or Percentage of Subsidy:

Government shall provide interest free corpus fund of maximum Rs 200 Lakh per yarn bank to SPV/Consortium.

<https://ipowertexindia.gov.in/yarn-bank-scheme.htm>