

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:470
ANSWERED ON:25.11.2005
CONCESSIONS TO HANDLOOM WORKERS
Athawale Shri Ramdas

Will the Minister of TEXTILES be pleased to state:

- (a) the year-wise number of the applications received by the Government during the last three years from weavers Cooperative societies and other organizations seeking concessions to handloom weavers;
- (b) the steps taken by the Government in this regard;
- (c) the details of the exemptions/relaxations being provided to the handloom weavers at present; and
- (d) the year-wise number of handloom weavers of the different States especially those belonging to the tribal areas of Gujarat who have been benefited by these schemes?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a)&(b) Requests were received by the Government of India seeking exemption from sales tax levied by the State Governments on the inputs used by the handloom sector and/or on handloom products. Since the matter relates to the State Governments, it was taken up with them, but none of the State Governments is known to have agreed to it. Requests have also been received from Weavers Cooperative Societies seeking exemption from payment of service tax and exemption from Central excise duty on Art Silk and Polyester yarn.

During the year 2002-03, representations were received seeking withdrawal of the excise duty (CENVAT) imposed by the Central Government on cotton and cellulosic spun yarn in plain reel hank form, with effect from the 1st March, 2002. The Hon'ble Finance Minister in his Budget Speech 2004-05 has proposed a new tax regime for the textile sector under which the mandatory CENVAT chain stands abolished w.e.f.9.7.2004.

Requests were also received from the Handloom Export Promotion Council (HEPC) for declaring Karur, Kannur, Madurai and Khekhra as centers of handloom export excellence under para 3.3 of EXIM Policy. HEPC had also sought enhancement of the drawback rates for cotton handloom durries as well as for restoration of drawback rate for undyed cotton handloom durries. These issues were taken up with the appropriate authorities. As per the Foreign Trade Policy 2004-09 announced on 31st August 2004 by the Hon'ble Union Minister for Commerce and Industry, Government of India, handlooms has been identified as a thrust sector and New Towns of Export Excellence with a threshold limit of Rs.250 crore has been notified at Karur and Madurai in Tamilnadu, Kannur in Kerala and Khekhra in Uttar Pradesh.

(c) Ministry of Textiles is implementing a scheme titled, 'Mill Gate Price Scheme' to facilitate the availability of yarn at Mill Gate Price to the handloom weavers through the National Handloom Development Corporation(NHDC), a Public Sector Undertaking. The expenditure towards transportation of yarn from the Mill Gate to the godown of the handloom agencies is being reimbursed by NHDC to the agencies and then by Government of India to NHDC.

NHDC has supplied yarn under the scheme in the last 3 years, as per details given below:-

Year	Qty.Lac Kgs.	Value (In Lacs Rs.)
2002-03	397.750	33110.71
2003-04	242.768	24071.39
2004-05	202.453	22298.18

Yarn supplied in the State of Gujarat in last three years is given below:-

Year	Qty. Lac Kgs.	Value (In Lacs Rs.)
2002-03	0.02	1.79
2003-04	0.611	31.26
2004-05	0.331	40.08

Data on number of handloom weavers benefited against yarn supplied by NHDC under the Mill Gate Price Scheme are not maintained.

