

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:3903
ANSWERED ON:02.12.2010
SICK UNITS IN HANDLOOM SECTOR
Venugopal Shri K. C.

Will the Minister of TEXTILES be pleased to state:

- (a) whether the Government plans to introduce any special package for revamping the sick units in the handloom sector;
- (b) if so, the details thereof;
- (c) whether the Government has received any representations from various State Governments including Kerala in this regard;
- (d) if so, the details thereof and actions taken thereupon;
- (e) whether the Government has assessed the total number of such sick units running currently;and
- (f) if so, the details thereof, State-wise?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF TEXTILES (SMT. PANABAACA LAKSHMI)

(a) to (d): In pursuance to the observations of the Hon'ble Prime Minister that the Handloom Cooperatives suffered from problems in accessing credit, a High Level Committee was constituted with the Managing Director, NABARD as the Convener. The Committee, after detailed deliberations, submitted a Financial Package. The proposal, inter-alia, includes recapitalization of balance sheets of Cooperative Societies and financing the credit needs of handloom weavers/societies at 7% rate of interest with interest subvention. Based on the recommendations of the High Level Committee and representations/suggestions received from the State Governments, proposed package has been formulated and forwarded to Department of Expenditure (Ministry of Finance) for approval. Financial implication of the proposed package is worked out to Rs.1959.75 crore under Phase I.

(e) & (f): Yes Madam. Government has assessed total number of viable, potentially viable and non-viable/ dormant handloom cooperative societies. State-wise details is annexed.