

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

STARRED QUESTION NO:640

ANSWERED ON:21.05.2012

HANDLOOM WEAVERS

Bajirao Shri Patil Padamsinha ;Sukur Shri Jadhav Baliram

Will the Minister of TEXTILES be pleased to state:

- (a) whether the Government has adopted any specific strategy to offer financial support to the handloom weavers in the country;
- (b) if so, the details thereof alongwith the eligibility conditions prescribed for getting the handloom package in each State including Andhra Pradesh;
- (c) the number of handloom weavers identified by the Government for that purpose, State-wise;
- (d) whether incidents of irregularities in the utilization of the funds provided under various schemes for handloom weavers by the States have been reported during the last three years;
- (e) if so, the details thereof; and
- (f) the steps taken by the Government to ensure proper utilisation of funds by the States?

Answer

MINISTER OF TEXTILES (SHRI ANAND SHARMA)

(a) to (f): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF LOK SABHA STARRED QUESTION NO. 640 FOR ANSWER ON 21.05.2012 REGARDING HANDLOOM WEAVERS BY DR. PADMASINHA BAJIRAO PATIL & SHRI BALIRAM JADHAV.

(a) & (b): Yes, Madam. The Government of India has approved two packages recently to offer financial support to the handloom weavers in the country. The first of these is the Financial Package for loan waiver for the handloom sector. In his budget speech for 2011-12, the Union Finance Minister had announced providing of Rs.3000 crore to NABARD for loan waiver benefitting about 15,000 cooperative societies and 3 lakh handloom weavers. Consequently, the Government has approved "Revival, Reform & Restructuring Package for Handloom Sector" on 24.11.2011 with a financial outlay of Rs.3884 crore. Of this outlay, the share of Government of India is Rs.3137 crore and that of the State Governments is Rs.747 crore. The package aims at waiving the overdue of individual handloom weavers and their eligible cooperative societies as on 31.3.2010, and providing them with fresh credit at subsidized rates of interest with an interest subvention @ 3% and credit guarantee for 3 years.

The second package is the Comprehensive Package for handloom sector for addressing the two critical needs of the handloom sector, viz., subsidized credit and cheap yarn. This package was approved on 18.12.2011 with an outlay of Rs.2362 crore. Such of those handloom weavers and their cooperative societies, who are not benefited by way of loan waiver under the first package of "Revival, Reform & Restructuring Package", are provided financial assistance with subsidized credit under the second package. These credit related interventions are operationalized through Integrated Handloom Development Scheme and these interventions are (i) Issuance of Weaver Credit Cards (ii) Interest Subvention @ 3% for 3 years on fresh loans sanctioned, (iii) margin money assistance @ Rs.4200 per individual weaver (but not for cooperative societies) and (iv) Credit Guarantee for 3 years.

As far as loan waiver under the Financial Package is concerned, the eligibility criteria for the loan waiver throughout the country, including Andhra Pradesh, are detailed below:

(i) All viable and potentially viable primary weavers' cooperative societies and state level apex societies would be benefited under the scheme. The definition of "viable" and "potentially viable" societies is enclosed in Annexure-I. However, the amounts on account of fraud and embezzlement, and amounts of subsidy etc. due but not paid to these organizations by the government will not be paid under this scheme.

(ii) In the case of individual handloom weavers, loans to be waived should have been taken only for handloom weaving purposes by genuine handloom weavers, subject to an overall ceiling of Rs.50,000 of loan waiver per individual beneficiary.

(iii) State Governments have to agree to share a small portion of loans to be waived and the sharing pattern between Government of India and State Government is detailed below:

Sl. No.	Beneficiary	General Category States	Special Category States
		(Centre : States)	(Centre : States)

(i) State level apex societies 75 : 25 90 : 10

(ii) Primary handloom cooperative societies 80 : 20 90 : 10

(iii) Individual weavers/SHGs etc. 80 : 20 90 : 10

(iv) The banks have to agree to waive on their own 75% of the interest amount and 100% penal interest, if any, and they also have to agree to extend fresh loans to the beneficiaries.

As far as the eligibility criterion for financial assistance for fresh loans under the second package (i.e., Comprehensive Package) is concerned, all handloom weavers and their cooperative societies, not covered under the first package of loan waiver, are eligible to apply for fresh loans.

(c): The estimated state-wise number of handloom weavers for the purpose of loan waiver under the financial Package is given in the Annexure-II, subject to the eligibility conditions enumerated above. Similarly, the State-wise target for weaver credit cards for 2012-13 under the second package (Comprehensive Package) is also given in the same annexure.

(d) & (e): No specific incident of irregularities in utilization of funds provided under various schemes of handloom weavers by the States have been reported.

(f): In order to ensure proper utilization of funds by the States, a monitoring system has been put in place. A review of the progress of physical and financial targets in respect of the schemes is being done during the meetings of the Senior Officers of the Ministry by the Secretary (Textiles). Quarterly Review Meetings are also being held with Commissioners/Directors (in charge of Handlooms and Textiles) of all State Governments. Senior officers of the Office of Development Commissioner (Handlooms) review the progress of the schemes during their visits to the States. Evaluation of the schemes has also been done by independent third party agencies. The State Governments are required to furnish proper utilization certificates when due, for funds already released in a scheme, before the release of next installment under that scheme.