

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:3397

ANSWERED ON:18.03.2013

CONCESSIONS TO HANDLOOM

Annayagari Shri Sai Prathap;Barq Shri Shafiqur Rahman

Will the Minister of TEXTILES be pleased to state:

- (a) the number of applications seeking more concessions and relaxation to handloom weavers from weavers' cooperative societies and other organisations received by the Government during the last three years and the current year, State-wise;
- (b) the criteria adopted for providing concessions to the weavers along with the details of concessions/relaxations being provided by the Government to handloom weavers through these societies/ organisations including the number of weavers benefited during the said period, State-wise;
- (c) whether the banks are charging high rate of interest against the loan granted to poor weavers;
- (d) if so, the details thereof and the reasons therefor along with the action taken by the Government in this regard;
- (e) the number of representations/ recommendations received for waiving of loans from the various State Governments along with quantum of funds sought by them, State-wise; and
- (f) the follow up action taken by the Government on the recommendations of the various State Governments, State-wise?

Answer

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

- (a) & (b): The Government of India has approved Revival, Reform and Restructuring (RRR) Package for Handloom Sector in November 2011, to waive off the overdue loans of primary weavers cooperatives, other weavers organizations and individual weavers and to provide access to subsidized institutional credit. The requests/recommendations seeking more concessions and relaxations under RRR package have been received afterwards and state-wise details are given at Annexure-I. The RRR package aims at waiving the overdue loans and interest (100% principal and 25% interest is borne by the Govt. of India and 75% interest and penal interest, if any, is borne by the banks) to eligible handloom cooperative societies and individual weavers as on 31.3.2010, and provides fresh credit with interest subsidy of 3% for 3 years with credit guarantee to the societies and weavers which are being benefitted under the RRR package. For implementation, the States were asked to carry out the statutory audit of handloom cooperatives and carry out the legal and institutional reforms of handloom cooperatives. Then, NABARD carried out special audit of handloom cooperatives to assess the loan waiver and recapitalization assistance to eligible viable and potentially viable cooperatives as per guidelines of the scheme. The viable and potentially viable apex and primary cooperatives are eligible for the benefit under the package and the criteria for eligibility of viable and potentially viable cooperatives is given at Annexure-II. In case of individual weaver, overdue loan upto Rs.50000/- taken for weaving related activities is eligible for waiver.
- (c) & (d): The banks have been charging applicable rate of interest for loan as per RBI guidelines from handloom weavers. In order to provide subsidized credit to handloom weavers, the Government of India has approved institutional credit component under Integrated Handlooms Development Scheme. Since then, the Government is providing margin money assistance @ Rs.4200/- per weaver, 3% interest subvention for 3 years and credit guarantee through CGTMSE for 3 years. Besides, fresh credit with interest subsidy of 3% for 3 years and credit guarantee through CGTMSE for 3 years is also provided to the societies and weavers which are being benefitted under the RRR package. Further, loan for handloom sector at 6% interest rate has been announced by the Finance Minister in the budget for 2013-14.
- (e) & (f): The revised proposal of RRR package has been formulated in view of representations/ recommendations received from State Governments including Andhra Pradesh, Tamil Nadu, Kerala, Himachal Pradesh, Bihar, Manipur, Odisha, Karnataka, Uttar Pradesh, West Bengal, Uttrakhand and Maharashtra.