

**GOVERNMENT OF INDIA  
TEXTILES  
LOK SABHA**

UNSTARRED QUESTION NO:2277

ANSWERED ON:11.03.2013

INCENTIVES TO HANDLOOM SECTOR

Ajay Kumar SHRI ;Das Shri Ram Sundar;Dubey Shri Nishikant ;Gangaram Shri Awale Jaywant;Hegde Shri Anant Kumar;Hussain Shri Syed Shahnawaz;Joshi Dr. Murli Manohar;Karwariya Shri Kapil Muni;Meghwal Shri Arjun Ram ;Noor Mausam;Reddy Shri Magunta Srinivasulu;Singh Shri Dushyant;Singh Shri Radha Mohan

**Will the Minister of TEXTILES be pleased to state:**

- (a) the number of weavers employed in the handloom sector, State-wise along with the steps taken to provide employment in the sector;
- (b) whether the cases of miserable condition of weavers as well as disparity in the prices of yarn and its blackmarketing have come to the notice of the Government;
- (c) if so, the details thereof along with the steps taken by the Government to address the issue and to remove the shortage of raw materials for handloom industries, State-wise;
- (d) the details of schemes being implemented by the Government for handloom sector including funds allocated/ released and utilised under various schemes during the last two years and the current year, scheme-wise including health insurance scheme, State-wise including the steps taken for optimum utilisation of funds;
- (e) whether the Government proposes to provide loans at concessional rate to handloom weavers and if so, the details thereof along with the loan waiver scheme/ financial package given by the Government to the handloom weavers in the country and the number of weavers benefited during the said period, State-wise; and
- (f) the financial assistance provided by the Government to weavers for marketing their products in metro cities/trade fairs and exhibitions and the fund allocated for the purpose, State-wise including Bihar?

**Answer**

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

(a): As per all India handloom census 2009-10, there are 43.31 lakh handloom weavers and allied workers in the handloom sector. State wise details of the handloom workers are given in Annexure-I. For the overall development of handloom sector including employment generation, Govt. of India has taken up various policy initiatives and scheme interventions through schemes such as cluster approach, technological upgradation, marketing assistance, revival of viable and potentially viable societies, availability of subsidized yarn and credit, besides providing health and life insurance cover to the handloom weavers. During 2011-12, a new scheme Integrated Skill Development Scheme (ISDS) has been introduced to upgrade the skills and employability of the handloom weavers.

(b) & (c): The Government is aware of various constraints/problems that weavers are facing across the country including cases of their miserable conditions and disparity in the prices of yarn. To address the issue of yarn supply at mill gate price, the Government has been implementing Mill Gate Price Scheme through the National Handloom Development Corporation (NHDC) to the eligible handloom weavers. Further, to provide the subsidized yarn only to handloom weavers in order to enable them to compete with powerloom and mill sector, a new component of 10% price subsidy on hank yarn has been incorporated in the Mill Gate Price Scheme w.e.f. 6.1.2012. Cotton and domestic silk required for production of handloom items are covered under the 10% price subsidy scheme.

(d): Following schemes are being implemented by the Government for handloom sector:- (i) Integrated Handlooms Development Scheme (IHDS). (ii) Marketing & Export Promotion Scheme (MEPS). (iii) Handloom Weaver's Comprehensive Welfare Scheme. (iv) Diversified Handlooms Development Scheme (DHDS). (v) Mill Gate Price Scheme (MGPS). (vi) Revival, Reform and Restructuring (RRR) package as well as Comprehensive Package for handloom sector. Funds allocated /released and utilized under various schemes during the last two years and the current year for all the schemes are given at Annexure-II to VII.

(e): The Government provides loan to the handloom weavers at concessional rates. Under Institutional Credit component of IHDS, individual weavers are eligible to get margin money @ Rs.4200/- per weaver, interest subvention @ 3% for three years and credit guarantee cover of loan under CGTMSE scheme. Further, a interest subvention for loan to handloom sector at interest rate of 6% has now been announced in the budget of 2013-14. The Government is also implementing Revival, Reform and Restructuring (RRR) package for handloom sector for loan waiver of handloom cooperatives and individual weavers eligible for waiver under the scheme.

The RRR package aims at waiving the overdue loans and interest of eligible handloom cooperative societies and individual weavers and provides fresh credit with interest subsidy of 3% for 3 years with credit guarantee to the societies and weavers which are covered under the RRR package. Further, interest subvention for fresh credit at interest rate of 6% is applicable to this component also as per the Budget announcement. State-wise list of cooperatives societies and handloom weavers benefitted from the scheme is at Annexure-VII.

(f): The Government of India provides financial support to the State Governments and other eligible organizations to organize trade fairs and exhibitions all over the country including metro cities to provide marketing platform to the handloom weavers and their cooperative societies. The state-wise financial assistance provided including to the state of Bihar for the last two years and the current year is enclosed in Annexure IV.