

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:4468

ANSWERED ON:22.04.2013

DISBURSEMENT OF LOAN WAIVER AMOUNT

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Will the Minister of TEXTILES be pleased to state:

- (a) whether the fund sanctioned to weavers under loan waiver scheme has not been released so far through its implementing agency NABARD;
- (b) if so, the details thereof and the reasons therefor along with the amount sanctioned/ released during the last three years and the current year, State-wise;
- (c) whether the Government proposes direct transfer of various benefits given to weavers in the country and if so, the details thereof;
- (d) whether the Government has constituted Handloom Weavers Comprehensive Welfare Committee and if so, the details thereof;
- (e) whether the number of handloom weavers in the country is declining and have reportedly committed suicide during the last three years and if so, the details thereof and the reasons therefor state-wise along with its impact on handloom industry; and
- (f) whether a large number of handloom units in the country are facing threat of closure over a period of time and if so, the details thereof along with the steps/ measures taken by the Government in this regard?

Answer

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

(a) & (b) For implementation of Revival, Reform and Restructuring (RRR) package, NABARD, the implementing agency, by special audit, has assessed an amount of Rs. 519.22 crore towards loan waiver and recapitalization of eligible cooperatives/individual weavers as on 31.03.13. Against this, State Governments have submitted claims of Rs. 514.82 crore to NABARD which in turn has issued sanction of Rs 449.74 crore while retaining Rs 64.67 crore (20% of Gol share) to be released once State Governments carry out legal & institutional reforms. NABARD has so far released Rs 386.37 crore. The state-wise release of fund by NABARD is given at Annexure-I.

(c) At present, the various schemes for development of handloom sectors are being implemented through State Governments and other eligible implementing agencies. Under Mill Gate Price Scheme, the 10% price subsidy on hank yarn is provided directly to handloom weavers.

(d) The Government has not constituted Handloom Weavers Comprehensive Welfare committee. However, the Government has constituted Grievance Redressal Committee (GRC) under Health Insurance Scheme in each State, where no of weavers enrolled are 5000 or more.

(e) Yes Madam. The number of handloom weavers and allied workers in the country have declined from 65.51 lakh, as per handloom census of 1995-96, to 43.32 lakh, as per handloom census of 2009-20. The state-wise detail of handloom weavers is given at Annexure-II. However, the decline in number of handloom has not resulted in reduction of handloom cloth production except Andhra Pradesh and Orissa, no State Government has reported suicide by weavers. 147 weavers in Andhra Pradesh and one weaver in Orissa have committed suicide during last 3 years.

(f) As per handloom census 2009-10, there are 27,85,227 number of handloom units in the country. There is no report that a large number of handloom units are facing threat of closure. However, the Government of India is aware of the fact that handloom sector is facing many constraints/ problems throughout the country such as low productivity, stiff competition from powerloom and mill sector, inadequate inputs supply and marketing facilities/channels as well as insufficient credit flow from institutional sources.

For holistic development of handloom sector and welfare of handloom weavers, the Government of India, during the 11th Five Year Plan and the current financial year, wherein financial support alongwith other benefits are being provided, has been implementing 5schemes which are (i) Integrated Handlooms Development Scheme, (ii) Handloom Weavers Comprehensive Welfare Scheme, (iii) Marketing and Export Promotion Scheme, (iv) Diversified Handloom Development Scheme,(v) Mill Gate Price Scheme.

In addition, The Government of India has approved Revival, Reform and Restructuring (RRR) Package and Comprehensive Package for handloom sector to provide financial as well as input support to the handloom weavers of the country. The RRR package aims at waiving the overdue loans and interest of 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.

On the other hand, the Comprehensive Package for handloom sector is for addressing the two critical needs of the handloom sector, viz. subsidized credit and yarn. The credit related interventions are (i) issuance of weavers' credit card; (ii) interest subvention@3% for 3 years on fresh loans sanctioned; (iii) margin money assistance @ Rs.4200 per handloom weaver and (iv) credit guarantee for 3 years. For ensuring the availability of subsidized yarn, the Government of India is providing 10% price subsidy on domestic silk and cotton hank yarn to handloom weavers.

Further, Finance Minister in his budget speech for 2013-14, has announced loan to handloom sector at 6% interest rate.