

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:931

ANSWERED ON:12.08.2013

SCHEMES FOR HANDLOOM WEAVERS

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Will the Minister of TEXTILES be pleased to state:

- (a) whether the Government proposes to upgrade handloom/textile units in the rural areas of the country and if so, the details thereof, State-wise including Andhra Pradesh;
- (b) the details of schemes being implemented by the Government for handloom sector along with funds allocated/ released and utilised under various schemes including health insurance scheme during the last three years and the current year, scheme/State-wise and the steps taken to ensure optimum utilisation of funds and realisation of benefits to weavers;
- (c) whether the Government proposes to provide loans at concessional rate to handloom weavers;
- (d) if so, the details thereof along with the loan waiver scheme/financial package given by the Government to the handloom weavers/co-operative societies in the country and the number of handloom weavers/co-operatives benefited during the said period, State-wise;
- (e) whether any irregularities/misuse of funds have come to the notice of the Government under various schemes and if so, the details thereof, State-wise along with the action taken by the Government in this regard; and
- (f) whether the Government has assessed the success of schemes being formulated for welfare of weavers in the country and if so, the details thereof along with the steps taken by the Government to redress the problems of weavers in the country?

Answer

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

(a): Up-gradation of handlooms is ongoing process and Integrated Handloom Development Scheme provides need based inputs to clusters of 300 – 500 handlooms and Groups of 10 –100 weavers by providing them financial assistance for new looms, dobbies, jacquards, accessories etc under basic input component. The scheme is applicable throughout the country, including rural areas. Further, financial assistance is also provided for up-gradation of looms and accessories etc. under Comprehensive Handloom Cluster Development Scheme. State-wise financial assistance released for up-gradation of handlooms, including State of Andhra Pradesh is given at Annexure-I.

The Technology Up-gradation Fund Scheme (TUFS) implemented by the Ministry of Textiles facilitates the modernization and up-gradation of the textiles industry, including handloom by providing credit at reduced rates to the entrepreneurs both in the organized and the unorganized sector. Thrust areas of the scheme are modernization of spinning, weaving, processing, technical textiles and garmenting segments, which have great potential for employment generation as well as value addition and are not specific to any State/area.

(b): The Government of India is implementing following schemes for development of handlooms and welfare of weavers and providing need based interventions for holistic and sustainable development of the handloom sector and to improve the condition of the weavers:-

(i) Integrated Handloom Development Scheme (IHDS) provides need based inputs to clusters of 300 – 500 handlooms, Groups of 10 – 100 weavers for making them self sustainable by providing them financial assistance for margin money, new looms, dobbies, jacquards, accessories, skill up-gradation, construction of worksheds etc.

(ii) Marketing and Export Promotion Scheme (MEPS) provides platform to the weavers and their organizations to participate in the domestic as well as international trade events and sell their products directly to the buyers.

(iii) Handloom Weavers Comprehensive Welfare Scheme (HWCWS): This comprises of two separate sub- schemes viz. the Health Insurance Scheme (HIS) for providing Health Insurance to the Handloom weavers and Mahatma Gandhi Bunkar BimaYojana (MGBBY) for providing Life Insurance Cover in case of natural/ accidental death, total/partial disability due to accident.

(iv) Mill Gate Price Scheme (MGPS): This scheme makes available all types of yarn at Mill Gate Price to the eligible handloom agencies and the transport and depot operating expenses are being borne by the Government of India. Further, to provide the

subsidized yarn to handloom weavers in order to compete with powerloom and mill sector, a new component of 10% price subsidy on cotton hank yarn and domestic silk yarn has been incorporated in the Mill Gate Price Scheme w.e.f. 6.1.2012.

(v) Diversified Handloom Development Scheme (DHDS): This scheme provides assistance for technological and skill up-gradation of weavers for design and product development through 25 Weavers' Service Centres and 05 Indian Institutes of Handloom Technology all over the country to improve the productivity and earnings of the handloom weavers.

(vi) Revival Reform and Restructuring Package (RRR): In order to open the choked credit lines to enable access to fresh credit for handloom sector, Gol has approved RRR package for waiver of overdue loan as on 31/03/2010 for eligible apex and primary weaver cooperative societies and individual weavers. The Government has also approved weaver credit card under institutional credit component, providing margin money assistance @ Rs. 4200/- per weaver, 3% interest subvention for three years and credit guarantee for 3 years by Credit Guarantee Trust Fund for Micro, Small and Medium Enterprises.

Under IHDS & MEPS, State-wise financial allocations are not made and funds are released to the State Governments/implementing agencies, based on the viable proposals submitted by them. State-wise funds released and utilized under IHDS & MEPS during the last three years is given at Annexure-II. While under MGPS, DHDS, HWCWS and RRR Package, the funds are released to the implementing agencies like National Handloom Development Corporation (NHDC), NABARD, ICICI Lombard, LIC etc. and not to the States.

For effective implementation, the schemes are reviewed/monitored by the officers of the State Governments and Central Government through periodic reviews and field visits.

(c) & (d): In order to provide loans at concessional rate to handloom weavers, the Government of India has approved institutional credit component under IHDS on 18th December, 2011 wherein the Government of India is providing margin money assistance @ Rs.4200/- per weaver; interest subvention @ 3% p.a. for 3 years from the date of the first disbursement and Credit Guarantee through Credit Guarantee Trust for Small Enterprises

(CGTMSE). Further, Finance Minister has announced loan to handloom sector at 6% interest rate in the budget of 2013-14.

The Government of India has approved RRR package for waiver of overdue loan as on 31/03/2010 for eligible apex and primary weaver cooperative societies and individual weavers wherein 100% principal and 25% interest is borne by the Gol and remaining 75% interest is borne by the Banks. The state-wise details of number of handloom weavers and co-operatives benefitted under RRR package is given at Annexure-III.

(e) : No such report of irregularities/misuse of funds has been received from the State Governments.

(f): The schemes implemented during 11th Plan have been evaluated through independent agencies and recommended for their continuation with modifications in XII Plan.

These recommendations/observations have been incorporated in the schemes for implementation in the 12th Plan.