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Title: The Minister of Commerce and Industry and Minister of Textiles laid a statement regarding decision of Union Cabinet on the revival reform and restructuring package for handloom sector.

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THE MINISTER OF COMMERCE AND INDUSTRY AND MINISTER OF TEXTILES (SHRI ANAND SHARMA): I beg to lay the statement regarding the decision of the Union Cabinet on the Revival Reform and Restructuring Package for handloom sector.

In the Budget speech for 2011-12 on 28.2.2011, the Finance Minister had announced that the Government of India would provide Rs.3000 crore for implementing the financial package for handloom sector for waiver of overdue loans. As a follow up of the Budget announcement, the Government has now approved the following:

(i) To implement the "Revival, Reform and Restructuring Package for Handloom Sector" starting with the current financial year as a new Centrally Sponsored Plan Scheme with a total outlay of Rs.3884 crore. The component-wise details of the Financial Package are as follows:

S.No.	Component	Rs. crore
1.	Loan waiver and recapitalization of handloom weavers cooperative societies as on 31.03.2010.	3021
2.	Waiver of individual weaver loans as on 31.3.2010	500
3.	Strengthening of weaver cooperative societies	88
4.	3% Interest Subsidy for fresh loans	180
5.	Credit Guarantee for fresh loans	25
6.	Training for the functionaries	30
7.	Loss assessment exercise & Cost of Implementation	40
	Total	3884

(ii) Out of the total amount of Rs. 3884 crore, the share of the Government of India will be Rs. 3137 crore and that of the State Governments will be Rs.747 crore.

(iii) The funds required for loan waiver and recapitalization of handloom weavers cooperative societies and that for individual weavers (Sl.No.1 and 2 respectively in the table above) will be shared in the following ratio between the Government of India and States concerned:

S. No.	Beneficiary	General Category States (Centre : States)	Special Category 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) Under the scheme, funds will be provided for repayment of 100% of principal and 25% of interest, which is overdue as on 31.03.2010 in respect of viable and potentially viable Primary Weavers Cooperative Societies and Apex Societies as well as in respect of individual handloom weavers, master weavers, Self Help Groups and Joint Liability Groups who have taken such loans for handloom weaving purposes, provided the banks agree for sanctioning fresh loans. There would be an overall ceiling of Rs.50,000 per individual beneficiary as far as funding under this scheme is concerned in respect of waiver of overdues of individual handloom weavers.

(v) The Government has further approved an interest subvention of 3% for 3 years to be extended from the date of

disbursal of the fresh loan extended by banks to the eligible handloom cooperative societies and individual handloom weavers covered under this Scheme. The interest subvention would not be made available from the date on which a loan becomes non-performing asset.

(vi) The Government will make necessary provision for credit guarantee for a period of three years for the fresh loans extended as per para (v) above.

(vii) The Government has further approved the constitution of three levels of Committees at the national, state and district levels for implementing and monitoring the scheme.

(viii) The Government has also approved the releasing of 80% of the share of Government of India on signing of MoU with the State Governments and NABARD, and on completion of loss assessment exercise in a particular State.

...(Interruptions)

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