

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:3549
ANSWERED ON:16.12.2005
FINANCIAL CRISIS IN WEAVERS COOPERATIVE SOCIETY
Modi Shri Sushil Kumar;Satheedevi Smt. P.

Will the Minister of TEXTILES be pleased to state:

- (a) whether the Government is aware that Handloom Weavers Cooperative Societies are facing huge financial crisis due to the policies of Union and State Governments;
- (b) whether rebate facilities are also stopped and the societies even fail to pay E.S.I. contribution;
- (c) if so, the details; thereof;
- (d) whether there is any plan to provide separate fund for the payment of arrears of the E.S.I. contribution;
- (e) if so, the details thereof; and
- (f) the steps taken by the Government in this regard ?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a) Some Handloom Weavers Cooperative Societies are facing financial crisis not due to the policies of Union and State Governments but due to market forces. Handloom products face competition from powerloom and mill sectors.

(b) & (c) In pursuance of the announcement made by the then Hon'ble Prime Minister on 15th August, 2002, the Ministry of Textiles had earmarked a sum of Rs. 100 crore for a one time special rebate on handloom fabrics. The Scheme has been discontinued w.e.f. 1.4.2005.

Information regarding payment of E.S.I. contribution by Handloom Weavers Cooperative Societies has been called from the State Governments. The Commissioner/Director Incharge of Handlooms in Uttar Praesh, Gujarat, Mizoram, Chhatisgarh, Bihar and Arunachal Pradesh have informed that the Cooperative Societies in their respective States have not received any Notice for recovery of ESI contribution.

The Commissioner and Director of Handlooms & Textiles, Govt. of Andhra Pradesh, has informed that only one Society has received Notice for recovery of ESI contribution. However, the Society has not paid contribution so far.

The Directors of Handlooms & Textiles, Govt. of Tamil Nadu, has informed that 24 Primary Weavers Cooperative Societies have received notices for recovery of E.S.I. contribution. Out of 24 Societies, 4 Societies have paid contribution for E.S.I. as per demand, 5 Primary Weavers Cooperative Societies have obtained stay order from the Court and 3 societies have filed petition before the Court and their cases are pending with various Courts. One Society is under liquidation and the other 11 Societies are regularly paying E.S.I. contributions.

Besides this, E.S.I. authorities have issued notice for payment of E.S.I. contribution for the members of the two Industrial Weavers Cooperative Societies. As the members are shareholders of the Cooperative Societies, the members have requested to grant exemption from the purview of the E.S.I. Act. Out of 2 Industrial Weavers Cooperative Societies, one Society has obtained stay from the High Court, Chennai and in respect of the other Society, the Hon'ble High Court, Chennai have directed the E.S.I. authorities to consider the request of the Society.

The Director of Handlooms & Textiles, Government of Kerala, has informed that Cooperative Societies have received Notice for payment of E.S.I. contribution and 26 Societies are paying the E.S.I. contribution.

(d) to (f) Handloom weaving is a domestic activity and the Ministry of Textiles has taken the stand that handloom weavers are not to be considered as labourers and as such they are not covered under the E.S.I Act.

The Government of India has been implementing a "Health Package Scheme" since 1992-93 for the handloom weavers to provide financial assistance to the handloom weavers for treatment of various diseases related to the profession of handloom weaving. In Accordance with the budget announcement of Hon'ble Finance Minister, the Government of India has introduced a "Health Insurance Scheme for handloom Weavers" on 9th august, 2005 in place of the earlier Health Package Scheme. The new scheme covers not

only the weaver but his wife and two children at a annual premium of Rs.1000. The Government of India contributes Rs.800 per weavers while the weaver's contribution is Rs.200 only. The weaver and his family are covered up to Rs.15000/-

Besides the Health Package Scheme, the Government of India has been also implementing an Insurance Scheme called Bunkar Bima Yojna for the handloom weavers from December, 2003. The Scheme provides insurance coverage to the handloom weavers in case of natural as well as accidental death. In Accordance with the budget announcement of Hon'ble Finance Minister, the Scheme has been revised and renamed as "Mahatma Gandhi Bunker Bima Yojana". The revised Scheme has been launched on 2nd October, 2005. The revised Scheme provide enhanced insurance coverage to the handloom weavers in case of natural as well as accidental death.

At present there is no plan in the Ministry of Textiles to provide separate funds for the payment of E.S.I. contribution.