

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:710
ANSWERED ON:04.03.2005
SUBSIDY TO SMALL POWERLOOMS
Barad Shri Jashubhai Dhanabhai;Jogi Shri Ajit

Will the Minister of TEXTILES be pleased to state:

- (a) whether Government is contemplating to provide subsidy for technical advancement of small powerlooms;
- (b) if so, the details thereof;
- (c) the total quantum of textile produced annually by powerloom in the country particularly in Gujarat;
- (d) extent to which this subsidy for technical advancement of small powerlooms will be helpful;
- (e) whether Government propose to implement any special safety scheme for handloom and powerloom sectors; and
- (f) if so, the details thereof?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a) & (b) The Government of India has already implemented w.e.f. 6.11.2003, a 20% credit linked capital subsidy scheme for the benchmarked technology pertaining to weaving and preparatory machinery in the powerloom sector. The investment limit on this machinery has been raised to Rs. 1.00 crore w.e.f. 13.01.05 from the previous limit of Rs. 60.00 lakhs. The powerloom sector is free to choose between benefits under this scheme or the 5% interest subsidy under Technology Upgradation Fund Scheme (TUFS).

(c) The production of textiles for the last 3 years in respect of the decentralised powerloom sector along with the estimated production figures of Gujarat state is as follows:-

Year Production of textiles (in million sq. meters)

All India Gujarat State

2001-02	25192	4812
2002-03	25954	4880
2003-04	26947	4985

(d) The decentralised powerloom sector suffers from technological obsolescence, low level of technical skills, poor productivity, poor product quality and low unit value realization from exports. The above Scheme is aimed at helping rapid modernisation and technology upgradation so that the powerloom sector reaps the benefits of cost-competitiveness in the international market.

(e) & (f) For the handloom sector, Finance Minister, in his budget speech 2005-06, has announced the following two social safety schemes:-

- Coverage of additional 18 lakh weavers under the Bunkar Bima Yojana, an Insurance Scheme for the handloom weavers which would cost Rs. 30.00 crores per year when fully rolled out.

- To cover around 2 lakh (as against the present level of 25,000) weavers at a recurring cost of Rs. 30.00 crores per year under the Health Insurance Scheme.

For Powerloom Weavers, a Group Insurance Scheme has been introduced in association with the Life Insurance Corporation of India (LIC) since July 2003. Under this Scheme, the annual premium of Rs. 200.00 is shared by the Central Government, the beneficiary and the LIC in the ratio of 30:20:50 respectively. It covers accidental/natural death and partial/permanent disability.

Government has also announced, since July 2003, a Scheme for assistance for construction of group worksheds for powerlooms to create a better working environment for the powerloom weavers and thus enhance their productivity.