

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:1477

ANSWERED ON:11.03.2005

FINANCIAL CRISIS IN COOPERATIVE SOCIETIES IN TAMILNADU

Kharventhan Shri Salarapatty Kuppusamy

Will the Minister of TEXTILES be pleased to state:

(a) whether the Government is aware that most of the weavers cooperative societies located in the country specially in Tamilnadu are facing acute financial crisis due to accumulation of stocks and decline in exports and are under the threat of closure;

(b) if so, the details thereof;

(c) whether the Government has received any proposals in this regard to protect these societies; and

(d) if so, the steps taken by the Government in this regard?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a) and (b) There has been accumulation of stocks with the weavers' cooperative societies in the country in general, which is one of the causes of the financial problems of the societies. As regards decline in exports, Handloom Export Promotion Council has not received any report in this regard. So far as Tamilnadu is concerned, the the Government of Tamilnadu has informed that the exports which was of the order of Rs.195.02 crore during 2003-04 has in fact increased to Rs.265.11 crore during 2004-05 (upto 28.2.2005). It has also been maintained by the Government of Tamilnadu that the Weavers Cooperative Societies in Tamilnadu are availing adequate working capital assistance from NABARD and as such there is no acute financial crisis due to accumulation of stocks and decline in exports. The Government of Tamilnadu has further informed that it has not received any proposal to protect the Weavers' Cooperative Societies from financial crisis.

(c) and (d) Proposals under the following schemes for the welfare and development of handloom weavers are received from various State Governments and assistance is released:

1. Deen Dayal Hathkargha Protsahan Yojana

2. Marketing Promotion Programme

3. Handloom Export Scheme

4. Mill Gate Price Scheme

5. Scheme for reimbursement of one time rebate @ 10% given by the handloom agencies on the sale of handloom cloth

6. Wiorkshed-cum-Housing Scheme

7 Weavers' Welfare Scheme comprising of-

(i) Health Package Scheme;

(ii) Thrift Fund Scheme and

(iii) New Insurance Scheme

8. Bunkar bima Yojana

9. Integrated Handloom Training Programme
10. Implementation of Handlooms (Reservation of Articles for Production) Act, 1985