

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Handlooms & Textiles Department - Implementation of the Package for the Revival, Reform, & Restructuring for Handloom Sector – Sanction of Rs.28,63,06,589/- towards State Share under the scheme for the year 2012-13 - Orders – Issued.

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INDUSTRIES AND COMMERCE (TEX) DEPARTMENT

G.O.Ms.No. 155

Dated:17 -11-2012

Read the following:

- 1.From the Secretary, Ministry of Textiles, Government of India, New Delhi, D.O.Lr.No.6/2/99/F.P/2011-12/DHDS, dt:12.12.2011.
- 2.Govt. Lr.No.17841/Tex.2/2011, Industries & Commerce (Tex) Dept, dt.03.02.2012.
- 3.Memorandum of Understanding (MoU), dt.24.03.2012.
- 4.G.O.Ms.No.89, Industries & Commerce (Tex) Dept., dt:01.05.2012 read with G.O. Ms.No.103, Industries & Commerce (Tex) Dept, dt.22.06.2012.
- 5.G.O.Ms.No.117, Industries & Commerce (Tex) Dept., dt:21.07.2012.
- 6.From the Director of Handlooms and Textiles and Apparel Export Parks, A.P., Hyderabad, Lr.Rc.No.5301/2012/SIMRC-W, dt.30.07.2012, 07.08.2012, 16.08.2012, 03.09.2012 and 03.10.2012.
- 7.G.O.Rt.No.4317, Finance (Exp.I&C) Department, dated.16.11.2012.

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ORDER

In the reference 1<sup>st</sup> read above, the Finance Minister, Government of India had announced a Financial Package of Rs.3,000 Crore for loan waiver to handloom weavers societies in Handloom sector. This package has been prepared by National Bank for Agriculture and Rural Development (NABARD) and the State Governments have been consulted from time to time. The last meeting with the State Governments to discuss the proposed package was held on 31.05.2011. Thereafter, the Government of India have approved the package on 24<sup>th</sup> November, 2011. Based on these approvals, the Development Commissioner (Handlooms) has circulated the Scheme Guidelines on 28<sup>th</sup> November, 2011, In order to explain the features of this Scheme and the methodology for its implementation, a National Workshop chaired by the Secretary, Textiles and co-chaired by the Secretary (Financial Services), Government of India was held on 29<sup>th</sup> November, 2011, in which all the State Governments and Scheduled Commercial Banks participated.

2. The salient features of the Scheme are as follows:-

- (i) The overdues of handloom weavers and their cooperative societies, as on 31.03.2010, will be waived. For this purpose, the funds for waiver of 100% of principal and 25% of interest will be provided by the Central and State Governments to NABARD, which will be the Implementing Agency. The Banks will have to write off the remaining interest and penal interest. Therefore, out of the total financial implication (projected) of Rs.3,884 Crore, the loan waiver component comes to Rs.3,512 Crore, which will be shared between the Central and State Governments in the following ratio:

Sl.No.		General Category States (Centre: States)	Special Category States (Centre: State)
(i)	For State Level apex societies	75 : 25	90 : 10
(ii)	For Primary handloom cooperative societies	80 : 20	90 : 10
(iii)	For Individual weavers/ SHGs etc.	80 : 20	90 : 10

- (ii) Accordingly, the **Projected tentative** share of the State of Andhra Pradesh comes to Rs.112 Crore which has to be provided to NABARD in the current financial year and the next year by the State Government and the above amount is only a tentative estimate and that the Scheme is essentially "entitlement base" and "demand driven", i.e., all the handloom weavers and their cooperative societies which fulfill the eligibility conditions will be entitled to loan waiver. The exact amount of loan waiver in the case of cooperative societies will be known as NABARD goes on completing the exercise of special audit of all these societies between now and 31.03.2012. In the case of waiver of individual weavers' loans, there is no requirement of audit. The individual borrowers can directly approach the bank branch which has to ascertain whether the borrower is a handloom weaver and whether he had taken loan for handloom purposes. If it is so, then the bank branch will approach NABARD for funds for wavier. At present, a written commitment from the State Government that it will be provide the required funds in this year and the next, which will enable NABARD to commence the implementation of the Scheme in the State of Andhra Pradesh.(P.T.O)

- (iii) The State Government also has to sign an MoU, which indicates the commitment of the State Government to carry out legal and institutional reforms in the handloom cooperatives sector.
- (iv) The objective of the Scheme is not merely to waive off the overdues of handloom sector. The Scheme specifically envisages that the payment towards overdues by the Government / NABARD will be made only to such Banks and their branches which explicitly agree to advance fresh loans to the beneficiary weavers and cooperative societies. The Government of India will provide interest subsidy of 3% on all such loans for three years, as well as pay the guarantee fee to Credit Guarantee Trust Fund for Micro & Small Enterprises (CGTMSE) and SIDBI.

3. The Secretary, Ministry of Textiles, Government of India, New Delhi has requested to confirm the willingness of the State Government to carry out legal and institutional reforms in the Handloom Cooperatives Sector, a letter of commitment conveying willingness of the State Government to sign the MoU; commitment for providing State's share towards loan waiver; and to hold 20 to 50 special camps, depending upon the size of the State, in this financial year for canvassing applications from handloom weavers and forwarding them to the Bank branches.

4. In the reference 2<sup>nd</sup> read above, the Secretary to Government of India, Ministry of Textiles, New Delhi was informed that the Government of Andhra Pradesh is willing to implement newly proposed package for Handloom Sector, viz., "Revival, Reform and Restructuring Package for Handloom Sector" in the State of Andhra Pradesh and provide State share towards Loan Waiver and undertake legal and institutional reforms wherever necessary.

5. In the reference 3<sup>rd</sup> read above, as per the salient features of the Scheme, among other things, Memorandum of Understanding (MoU) was made on 24.03.2012 among the President of India, (hereinafter referred to as the Central Government) as represented by Dr. Md.Nazumuddin, Additional Development Commissioner for Handlooms, Government of India of the first part and the Governor of the State of Andhra Pradesh hereinafter referred to as the State Government ) as represented by Sri Ajay Mishra, I.A.S., Prl. Secy. to Govt. (FAC), Ind. & Com. (Tex) Dept, of the second part and National Bank for Agriculture and Rural Development (NABARD), Mumbai herein after referred to as NABARD as represented by Sri S.K.Mitra, Executive Director, NABARD of the third part.

6. In the reference 4<sup>th</sup> read above, as per the guidelines of the Government of India orders were issued constituting the State Implementation Monitoring & Review Committee (SIMRC) and District Implementation Monitoring & Review Committee (DIMRC) for monitoring the progress of implementation of the "Revival, Reform and Restructuring Package for Handloom Sector" as indicated therein.

7. In the reference 5<sup>th</sup> read above, administrative sanction orders were issued for implementation of the package for the "Revival, Reform and Restructuring Package for Handloom Sector", in the proforma prescribed by the Government of India.

8. In the reference 6<sup>th</sup> read above, the Director of Handlooms and Textiles and Apparel Export Parks, A.P., Hyderabad has furnished the following proposals / claims for sanction under the "Revival, Reform and Restructuring Package for Handloom Sector" for the year 2012-13, informing that the same were approved during 2<sup>nd</sup> to 6<sup>th</sup> SIMRC meetings;

- 1) Claim to a total amount of Rs.79,75,06,467/- (State Government share of Rs.23,22,01,283/- and Central government share of Rs.56,53,05,184/-) towards share of recapitalization assistance amount and NDR shortfall recommended by SIMRC for Apex Weavers Co-operative Society (APCO) for sanction under the scheme for "Revival, Reform and Restructuring Package for Handloom Sector" for the year 2012-13.
- 2) Claim to a total amount of Rs.21,43,42,379/- (State Government share of Rs.4,79,26,882/- and Central Government share of Rs.16,64,15,497/-) towards share of recapitalization assistance amount and NDR shortfall recommended by SIMRC for (191) Primary Weavers Co-operative Societies of certain Districts to sanction under the scheme for "Revival, Reform and Restructuring Package for Handloom Sector" for the year 2012-13.
- 3) Claim to a total amount of Rs.3,08,92,147/- (State Government share of Rs.61,78,424/- and Central Government share of Rs.2,47,13,723/-) towards (1877) individual loan claims of certain Banks towards the overdues Claims recommended by SIMRC under the scheme for "Revival, Reform and Restructuring Package for Handloom Sector" for the year 2012-13.

9. The Director of Handlooms and Textiles and Apparel Export Parks, A.P., Hyderabad has further informed that in the various G.O.s issued under the scheme, orders were issued for implementation of "Revival, Reform and Restructuring Package for Handloom Sector" to Apex and Primary Weavers Co-operative Societies and a sum of Rs.100.00 Crores have been allocated in the budget for the financial year 2012-13 under the Head of Account - SH - 12 - Assistance towards Loan Waiver to Weaver. He has therefore requested the Government to sanction the above claims.

10. Government after careful examination, have decided and accordingly hereby sanction an amount of Rs.28,63,06,589/- (Rupees Twenty Eight Crores Sixty Three Lakhs Six Thousand Five hundred and Eighty Nine only) towards State Share of recapitalization assistance amount and NDR shortfall recommended by SIMRC for Apex Weavers Co-operative Society (APCO); and for (191) Primary Weavers Co-operative Societies of certain Districts; and claims towards (1877) individual loans of certain Banks towards the overdues Claims under the scheme for "Revival, Reform and Restructuring Package for Handloom Sector" for the year 2012-13.

11. The expenditure sanctioned above shall be debited to the following Head of Account:

2851 - Village & Small Industries  
00 - Not applicable  
MH 103 - Handloom Industries  
GH 11 - Normal State Plan  
SH 62 - State share for Revival, Reform and Restructuring Package for  
Handloom Sector.  
310 - Grants-in-aid  
312 - Other Grants-in-aid

12. The Director of Handlooms and Textiles and Apparel Export Parks, Andhra Pradesh, Hyderabad is authorized to draw and disburse the amount to the National Bank for Agriculture and Rural Development (NABARD), Current A/c No.8692974 (IFS Code - RBIS0RBIPI0) maintained with RBI as matching State share for further release of the amount to the individual borrowers/Primary Weavers Co-operative Societies /APCO duly matching Central share.

13. This order issues as per Budget Release Order issued vide G.O.Rt.No.4317, Finance (Exp.I&C) Department, dated.16.11.2012 and with the concurrence of Finance (Exp. I&C) Department vide their U.O.No.2308/399/Exp.I&C/12, dated.16.11.2012.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

D.SREENIVASULU  
PRINCIPAL SECRETARY TO GOVERNMENT

To

The Director of Handlooms and Textiles and  
Apparel Export Parks, Andhra Pradesh, Hyderabad.

The Development Commissioner for Handlooms,  
Government of India, Ministry of Textiles, Udyog Bhavan,  
New Delhi -110 011.

The Secretary, Government of India, Ministry of Textiles, Udyog Bhavan,  
New Delhi -110 011.

The Accountant General, Andhra Pradesh, Hyderabad.

The Pay and Accounts Officer, Hyderabad..

The Director of Treasuries and Accounts, Andhra Pradesh, Hyderabad.

The Executive Director,  
NABARD, C-24, G. Block,  
Bandra Kurla Complex, Bandra East,  
Mumbai - 400 005

The Chief General Manager, Regional office, NABARD, 1-1-61, RTC X Road,  
Musheerabad, Hyderabad - 500 020.

Copy to:

The Finance ( Exp.I&C) Department.

The P.S. to the Secretary to Chief Minister.

The O.S.D. to the Minister (H&T,SM, SSI & KVIB).

The P.S to the Principal Secretary to Government, Industries and Commerce Department.

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//FORWARDED::BY ORDER//

SECTION OFFICER