



ABSTRACT

Handloom Industry – Centrally Sponsored Schemes / Schemes shared between State and Centre – House-cum-Workshed Scheme for Handloom Weavers – Loan borrowed by the weaver members of Weavers Co-operative Societies under the Scheme – Payment of outstanding HUDCO loan amount together with interest and reimbursement of loan amount together with interest paid by Co-optex on behalf of weavers – Orders Issued.

HANDLOOMS, HANDICRAFTS, TEXTILES AND KHADI (D2) DEPARTMENT

G.O.MS.No.163

Dated: 14.11.2008
(Iyppasi 29, Thiruvalluvar Aandu 2039)

Read:-

1. From the Director of Handlooms and Textiles letter Rc.No.12282/2005/C1 dated 22.02.2008 and 28.07.2008.
2. From the Managing Director, Co-optex letter Rc. No. HUDCO /3395/ WHS/2005 dated 08.05.2008.
3. From the Assistant Chief (Finance), HUDCO, Chennai letter No. HUDCO/CRO/ FIN-01/11/08/1050, dated 29.05.2008.
4. From the Director of Handlooms and Textiles Letter Rc.No.26138/2008/N1 dated 20.10.2008.

ORDER:

The House-cum-Workshed Scheme for Handloom Weavers has been implemented from the year 1979-80 by the Government of Tamil Nadu. The Government of India have also participated in this scheme from the year 1985-1986. The pattern of assistance for one unit of House-cum-Workshed is as follows: -

Details	(Rs)	
	Rural	Urban
State Government Subsidy	7,000	7,000
Government of India Subsidy	18,000	20,000
HUDCO loan	40,000	40,000
Beneficiary Contribution	3,000	5,000
Total	68,000	72,000

The Tamil Nadu Handloom Weavers Co-operative Society Limited (Co-optex) is the Nodal Agency for implementation of the Scheme. The loan assistance from HUDCO to the Primary Weavers Co-operative Societies was released through Co-optex. The Co-optex repays the loan to HUDCO initially and recover the due amount from the respective societies later by adjusting from the sale proceeds through procurement of Handloom clothes.

2. While presenting the Budget for the year 2008-2009 in the Legislative Assembly on 20-03-2008, the Hon'ble Minister for Finance has announced that loans to the tune of Rs.15 Crores taken from HUDCO under the House-cum-Workshed Scheme by weavers who are presently not in a position to repay, will be waived.

3. The Director of Handlooms and Textiles in her letter first read above, has stated that, as of now a sum of Rs.9,19,22,236/- is due to HUDCO from the weaver members under the Centrally Sponsored House-cum-Workshed Scheme for Handloom Weavers and the Co-optex had paid a sum of Rs.4,16,21,362/- towards loan amount to HUDCO on behalf of dormant and liquidated societies. In order to retrieve the Handloom Weavers from the hard grip of HUDCO loan burden and also for reimbursement of loan amount paid to HUDCO by Co-optex on behalf of dormant and liquidated Primary Weavers Co-operative Societies, the Director of Handlooms and Textiles has requested the Government to sanction a sum of Rs.1335.45 lakhs so as to settle the loan amount due to HUDCO by the Handloom Weavers and to reimburse the loan amount paid by Co-optex to HUDCO on behalf of Handloom Weavers of liquidated / dormant societies as one time relief to the Handloom Weavers as per the announcement made by the Hon'ble Minister (Finance) in the Legislative Assembly on 20.03.2008.

4. The Managing Director, Co-optex in her letter second read above, has furnished the following details of HUDCO loan outstanding and pending dues as on 31.03.2008 and requested the Government to sanction a sum of Rs.13,35,44,598/- in order to settle the HUDCO loan outstanding and pending dues of defaulted societies under House-cum-Workshed Scheme for Handloom Weavers as on 31.03.2008 and

(Continuation of G.O.MS.No.163, HHT&K Dept,dt.14.11.2008)

- 3 -

for reimbursement of the remittance made by Co-optex on behalf of defaulted societies: -

Sl. No.	Details	Amount (Rs)	
1.	Loan amount (Principal and Interest) already paid by Co-optex to HUDCO on behalf of weavers of dormant / liquidated societies.	2,69,48,282	4,16,21,362
2.	Cost of Mobilisation	1,43,50,345	
3.	Loan resetting charges paid by Co-optex to HUDCO	1,68,652	
4.	Guarantee Commission paid by Co-optex to Government	1,54,083 -----	
5.	Amount due to HUDCO		9,19,23,236
	Total		13,35,44,598

5. The Assistant Chief (Finance), HUDCO in his letter third read above, has furnished the following details regarding outstanding dues to HUDCO by weavers under House-cum-Workshed Scheme for Handloom Weavers as on 30.06.2008: -

(i) The actual principal outstanding as on 31.03.2008	Rs.8,99,16,834/-
(ii) Interest for the quarter ended 30.06.2008 (01.04.2008 to 30.06.2008)	Rs. 18,77,417/-
Total	Rs.9,17,94,251/-

6. The Government, after careful consideration, have decided as follows: -

(i) The actual principal outstanding to HUDCO under House-cum-Workshed Scheme for Handloom Weavers as on 31.03.2008 is Rs.8,99,16,834/- (Rupees Eight crores ninety nine lakhs sixteen thousand eight hundred and thirty four only). Since the interest rate on the HUDCO loan is only 8%, it would be more beneficial for Government to make the repayment as and when the repayment falls dues rather than going for a bulk repayment. The repayment can be staggered out during the period from 2008 to 2015.

(ii) The amount Rs.2,71,16,934/- (Rupees Two crores seventy one lakhs sixteen thousand nine hundred and thirty four only) towards loan amount (principal and interest) already paid by Co-optex to HUDCO under House-cum-Workshed Scheme for Handloom Weavers on behalf of weavers of dormant and liquidated Weavers Co-operative Societies and towards loan resetting charges paid by Co-optex to HUDCO under the Scheme can be reimbursed in three equal annual instalments.

7. The Director of Handlooms and Textiles in her letter fourth read above has stated that, payment of HUDCO loan dues and reimbursement to Co-optex under House-cum-Workshed Scheme for Handloom Weavers during the year 2008-2009 has been worked out as follows :-

Sl No	HUDCO loan dues	(Rs.)
1.	For the Quarter ended 30.06.2008 and 30.09.2008	1,08,27,549
2.	For the Quarter ended 31.12.2008 (Tentative)	54,00,000
3.	For the Quarter ended 31.03.2009 (Tentative)	54,00,000
Total		2,16,27,549
<u>Reimbursement to Co-optex</u> (Amount due to Co-optex Rs.2,71,16,934/- to be paid in 3 annual equal instalments)		
4.	1st instalment to be paid in 2008-2009	90,38,978
Grand Total		3,06,66,527

8. The Director of Handlooms and Textiles has, therefore, requested the Government to sanction a sum of Rs.2,16,27,549/- towards repayment of Housing Loan Amount (Principal and Interest) due for the quarters ended 30.06.2008 to 31.03.2009 to the HUDCO on behalf of Handloom Weavers. She has also requested the Government to sanction a sum of Rs.90,38,978/- to Co-optex towards first instalment amount being the reimbursement of loan amount already paid by Co-optex on behalf of weavers.

9. Accordingly, the Government sanction a sum of Rs.2,16,27,549/- (Rupees Two crores sixteen lakhs twenty seven thousand five hundred and forty nine only) towards repayment of Housing Loan Amount (Principal and Interest) due for the quarters ended 30.06.2008 to 31.03.2009 to the HUDCO on behalf of Handloom Weavers under House-cum-Workshed Scheme for Handloom Weavers.

10. The Government also sanction a sum of Rs.90,38,978/- (Rupees Ninety lakhs thirty eight thousand nine hundred and seventy eight only) to Co-optex as first instalment amount being the reimbursement of loan amount already paid by Co-optex to HUDCO on behalf of weavers of dormant / liquidated societies and loan resetting charges paid by Co-optex to HUDCO.

11. The expenditure sanctioned in paragraphs 9 and 10 above shall be debited to the following head of account: -

"2851 00 Village and Small Industries – 103 Handloom Industries – I Non-Plan – AZ Grants to Tamil Nadu Handloom Weavers Co-operative Society Ltd (Co-optex) – 09 Grants-in-aid - 01 Grants for Current Expenditure"
(D.P.Code 2851 00 103 AZ 0910)

12. The amount sanctioned in para 9 and 10 above shall be deposited in the Personal Deposit Account operated by the Director of Handlooms and Textiles under the following head of account: -

"K Deposits and Advances – (b) Deposits not bearing interest - 8443-00 Civil deposits – 800 Other deposits – BN Deposits of Tamil Nadu Handloom Weavers Co-operative Society (CO-OPTEx)
(D.P.Code 8443 00 800 BN 000E) (Receipts)

13. The expenditure is a "New Service" and has been included in the First Supplementary Estimates for the year 2008-09.

14. The Director of Handlooms and Textiles is authorized to draw and deposit the amount sanctioned in para 9 and 10 above to the Personal Deposit Account and the payment shall be made to HUDCO / Co-optex as and when it is due. The amount shall be drawn only after the First Supplementary Estimates are granted by the Legislature.

15. The Director of Handlooms and Textiles is requested to send an action taken report to the Government.

16. This order issues with the concurrence of Finance Department vide its U.O.No.66058/Finance (Industries)/ 2008, dated 12.11.2008 and Additional Sanction Ledger Number 1182 (One thousand and one hundred and eighty two).

(BY ORDER OF THE GOVERNOR)

VISHWANATH SHEGAONKAR,
SECRETARY TO GOVERNMENT

To

The Director of Handlooms and Textiles , Chennai - 108.

The Managing Director , Co-optex, Chennai-8.

The Development Commissioner for Handlooms, Ministry of Textiles,
Government of India, Udyog Bhawan, New Delhi-11

The Chief, HUDCO, Chennai Regional Office,

5th Floor, CMDA Tower I,

No.1, Gandhi Irwin Road,

Egmore, Chennai -8.

The Accountant General (A&E), Chennai - 18./(By Name)

The Accountant General (CA), Chennai - 18. /(By Name)

The Pay and Accounts Officer (North), Chennai - 1.

The Accountant General (CAS), Chennai-9.

Copy to

The Secretary to Hon"ble Chief Minister, Chennai - 9.

The Special Officer, Chief Minister's Secretariat, Chennai - 9.

The Senior Personal Assistant to Hon'ble Minister(Backward Classes
Welfare),Chennai - 9

The Finance(Ind) Department , Chennai - 9.

The Handlooms, Handicrafts, Textiles and Khadi (A)Department ,
Chennai - 9.

Sf/Scs

// FORWARDED // By Order //

SECTION OFFICER