

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Handloom Industry - Expert Committee on Weavers' Problems constituted under the Chairmanship of Hon'ble Minister for Finance - Report submitted to Government on 21-8-2005 - Report of the Expert Committee on Weavers' Problems acceptance and its implementation - Orders - Issued.

INDUSTRIES AND COMMERCE (TEX) DEPARTMENT

G.O.Ms.No.321.

Dated 12-12-2006.

Read the following:-

1. G.O.Rt.No. 426, Industries and Commerce (Tex) Department, dated 17-7-2004.
2. 2nd Meeting of the Expert Committee held on 26-9-2004 under the Chairmanship of Hon'ble Minister for Finance.
3. G.O.Rt.No.466, Industries and Commerce (Tex) Department, dated 2-1-2005.
4. G.O.Rt.No.751, Industries and Commerce (Tex) Department, dated 22-11-2004.
5. Report of the Expert Committee on Weavers' Problems submitted to Government on 21-8-2005.
6. Government Memo. No.16613/Tex.2/2004-1, dated 16-9-2005 communicated the Minutes of Review Meeting convened by Government on 26-8-2005 on the report of the Committee on Weavers' Problems.
7. G.O.Rt.683, Industries and Commerce (Tex) Department, dated 6-10-2005
8. G.O.Ms.No.278, Industries and Commerce (Tex) Department, dated 14-10-2005
9. G.O.Ms.No.300, Industries and Commerce (Tex) Department, dated 8-11-2005.
10. G.O.Rt.No.859 Industries and Commerce (Tex) Department, dated 16-12-2005.
11. G.O.Ms.No.3, Consumer Affairs, Food & Civil Supplies (C.S.I) Dept dt 17.1.2006
12. G.O.Ms.No.38, Industries and Commerce (Tex) Department, dated 3-2-2006.
13. G.O.Ms.No.46, Industries and Commerce (Tex) Department, dated 13-2-2006.
14. G.O.Ms.No.96, Industries and Commerce(Inf) Department, dated 28-3-2006.
15. Government Lr.No.16613/Tex.2/2004-2, dated 3-4-2006.
16. Government Memo. No.16613/Tex.2/2004-3, dated 18-4-2006 communicated the Minutes of Review Meeting convened by Government on 31-3-2006 on the report of the Committee on Weavers' Problems.
17. G.O.Ms.No.119, Industries and Commerce (Tex) Department, dated 21-4-2006.
18. Government Memo No.16613/Tex.2/2004-05, dated 15-7-2006.
19. From the Commissioner and Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, A.P, Hyderabad Lr.Rc.No,1260/2006/F2, dated 22.7.2006.
20. From the Commissioner and Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, A.P, Hyderabad Lr.Rc.No,7251/2004-N2, dated 27.7.2006.
21. G.O.Ms.No.247, Industries and Commerce (Tex) Department, date 19-9-2006.
22. Government Lr.No.6464/Tex.2/2006-1, dated 18-9-2006 addressed to Development Commissioner for Handlooms, Ministry of Textiles, New Delhi.
23. Government Memo.No.6464/Tex.2/2006-2, dated 18-9-2006 addressed to all District Collectors.

ORDER:-

In the reference 1st read above, Government have constituted the Expert Committee on weavers' problems under the Chairmanship of Hon'ble Minister for Finance to study the problems of Handloom and Powerloom Weavers both in Co-operative and individual Co-operative fold, with regard to production and marketing of their products and to suggest short term and long term measures by conducting field visits, wherever necessary and by taking opinions of the representatives from both sectors, among other things.

(P/O)

2. In the course of its work, the Expert Committee on weavers' problems has interacted with a large number of weavers, weavers' representatives, public representatives and other experts including Sri Koratala Satyanarayana, CPM Leader, Sri T. Nagaiah, Co-Chairman, Weavers' United Front and General Secretary, Akhilabharatha Padmshali Sangham, Miss Aparna, IAS., Additional Development Commissioner, Ministry of Textiles, Government of India and Mr. Roul, IAS., Director, Ministry of Textiles, Government of India, Secretary, Finance Department, Government of Andhra Pradesh, Senior Officials of Department of Industries and Commerce, Commissionerate of Handlooms and Textiles, APCO and Collector, Prakasam District.

3. The Expert Committee on weavers' problems met on 6-8-2004, 7-8-2004, 26-9-2004, 20-11-2004 and 21-5-2005 under the Chairmanship of the Hon'ble Minister for Finance. In the 2nd Meeting of the Expert Committee held on 26-9-2004 among other decisions it was resolved to release Rs. 10.00 crores to Andhra Pradesh State Handloom Weavers Co-operative Society Ltd., (APCO) as a Revolving Fund to be utilized for the purpose of procurement of stocks from the Primary Weavers Co-operative Societies and to purchase only saleable varieties. The Revolving Fund will be kept at the disposal of the Commissioner and Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad, who will monitor the utilisation of the fund. As per the above decision, Government have issued orders in the reference fourth read above, sanctioning an amount of Rs. 10.00 crores (Rupees ten crores only) towards revolving fund for liquidation of stocks piled up with the Primary Weavers Co-operative Societies by Andhra Pradesh State Handloom Weavers Co-operative Society Ltd., (APCO) and the Vice-Chairman and Managing Director, Andhra Pradesh State Handloom Weavers Co-operative Society Ltd., (APCO) shall remit the amount to the Government.

4. In the reference 5th read above, the Expert Committee on Weavers problems had submitted its report to the Government on 21-8-2005.

5. After careful examination of the Report of the Expert Committee on Weavers' problems and its detailed review held on 26-8-2005 and 31-3-2006, Government hereby accept the Report of the Expert Committee on Weavers' problems and have also decided to issue orders for implementation of the Recommendations of the Expert Committee on Weavers' problems as follows:

Recommendation - 1:- To sanction equity contribution of Rs. 12.00 crores by Government for organising new Handloom weavers Cooperative Societies, dormant/ defunct societies which can be revived for providing work to weaver members. A sum of Rs.3.00 crores may be released for the year 2005-06.

Government have agreed to form new Cooperative Societies (New Weavers Co-operative Societies) to bring the weavers who are outside the cooperative fold into cooperative fold for institutionalizing the employment and marketing avenues keeping in view the market demands and to make efforts to revive the existing societies for revitalization by participating in equity and also agreed to sanction, an amount of Rs.3 Crores for equity participation in new Co-operative Societies and to undertake revival of dormant societies.

(P/O)

Recommendation- 3: An amount of Rs. 100.00 crores is required for Apparel Parks and Textile Parks to be set up in the State, so as to compete in the national and international markets, in the Post WTO Regime and to attract national and international Investors. Government have to play a level playing role in announcing certain incentives such as investment and power subsidy. A sum of Rs. 25 crores may be released for grounding the projects for the year 2005-06

Government have accepted the above recommendation and implemented by way of releasing a sum of Rs. 25.34 crores for the year 2005-06 for grounding the projects.

Recommendation- 4: An amount of Rs. 50.00 crores may be provided for establishment of Raw Material Service Centre.

The Government have accepted the above recommendation. It is agreed to set up Raw Material Service Centre as an outfit of APCC for augmenting supply chain of inputs like yarn, dyes and chemicals and unfinished cloth etc., for value addition at the primary society level. The utility of raw material service centre, as an additional assistance to primary societies and Government decided to allocate Rs.10 crores which was earlier given as reimbursable advance to APCO in G.O.RL.No.751, Ind. & Com (Tex) Department, dated 21-11-2004 by retaining the amount with them as grant for Establishment of Raw material service center.

Recommendation- 5: Netha Bazaars should be strengthened in all the Districts and wherever they are started should be completed

The above recommendation is accepted and implemented by way of releasing of an amount of Rs.2.17 crores for completion of construction of the (17) Netha Bazaars in various districts

Recommendation- 6: Providing Old Age Pensions and 25 kgs of free Rice to 4000 infirm/crippled weavers in the State who are in distress.

Government have accepted the above recommendation and implemented by way of sanctioning 50,000 additional old age pensions to weavers w.e 1-9-2005 duly reducing the age from 65 years to 50 years and also sanctioning 25 kgs of rice per month per beneficiary free of cost.

Recommendation- 7: After review of the suicidal deaths of weavers that occurred in the State, the Committee recommends to Government to sanction financial assistance to the deceased weaver families, on par with the assistance being provided to the farmer community in the State.

(PTO)

Government have accepted the above recommendation and implemented by way of sanction of ex-gratia an amount of Rs. 1.50 lakhs who committed suicide due to poverty on account of distress caused by occupational related problems w.e.f 1.4.1997 under the scheme.

Recommendation- 8: In order to undertake Export Operations of APCO and individual weavers, Handloom Export Promotion Council (HEPC) and Apparel Export Promotion Council (AEPC) may be requested to open their branches in one of the Apparel/Textiles Parks and motivate them to promote handloom products.

Government have accepted the above recommendation and the Handloom Export Promotion Council (HEPC) and Apparel Export Promotion Council (AEPC) have been requested to open their branch offices in Hyderabad.

Recommendation - 9: Raw material service center may be set up with Commissioner, Handlooms and Textiles as Coordinator and Techno-professionals and Directors of APCO for augmenting supply chain of inputs like yarn, dyes and chemicals, unfinished cloth etc., for value addition at the primary society level. A lump-sum of amount of Rs. 50.00 crores may be provided as one time grant for establishment of raw material service centers at a potential clusters.

Action already indicated at recommendation No.4 above.

Recommendation-10: The Committee recommends to set up an Advisory Board under the Chairmanship of Minister (Textiles) at State level for the benefit of Handloom, Powerloom, Apparel sectors, to advise Government on policy formulation and implementation.

The above recommendation is accepted and being implemented by constituting Handloom and Textile Advisory Board under the Chairmanship of Minister for Textiles with 13 other members.

Recommendation- 11: The existing A.P.State Textile Complex Society will be entrusted with the responsibilities of providing leadership for marketing of powerloom products.

The above recommendation is accepted and it is being implemented.

(PTO)

Recommendation- 12: The Committee recommends to the State Government that similar steps be initiated on the lines of protection extended to "Pochampally variety" and cover all other ethnic varieties like Narayanpet, Dharmavaram, Gadwal, Uppada, Siddipet Gollabama, Mangallagiri, Rajahmundry under Geographical Indications Act.

The above recommendation is accepted and it is being implemented.

Recommendation- 13: For the units set up in Apparel Parks and Textile Parks manufacturing and exporting handloom garments, sales tax may be exempted to reduce the financial burden on the Investor and customer as well.

Government have accepted the above recommendation and it is under implementation.

Recommendation- 14: Self Help Women Weavers Groups working in the villages may be linked to concessional credit at 4% interest by Asst. Director, Handlooms & Textiles on par with DWACRA Groups, through the Project Director of DRDAs.

Government have accepted the above recommendation, and it is under implementation.

Recommendation- 15 : Implementation of Handloom (Reservation of Articles for Production) Reservation Act, 1985 strictly for protection of Handloom Sector.

The above recommendation is accepted and it is under implementation.

Recommendation- 16: Waiver of interest / penal interest to all Primary Weavers Cooperative Societies and APCO.

The above recommendation is accepted by way of waiving interest in respect of the societies and APCO, who have paid the principal amount of loan to the DCCBs/APCOB., before the 31st March, 2006.

(PTC)

Recommendation- 17: Purchase of private land wherever necessary by Government for setting up Apparel / Textile Parks and load the land cost on the plot while fixing the rate.

Government have accepted the above recommendation and taken care in the Textile and Apparel Promotion Policy issued in G.O.Ms.No.300, Industries and Commerce (Tex) Department, Dated 8-11-2005.

Recommendation- 18: Ensure supply of adequate Industrial water for consumption by the Textile Units set up in Parks.

Government have accepted the above recommendation and taken care in the Textile and Apparel Promotion Policy issued in G.O.Ms.No.300, Industries and Commerce (Tex) Department, Dated 8-11-2005..

Recommendation- 19: Sanction training Incentive to Apparel Units for achieving the employment goal in Parks.

Government have accepted the above recommendation and taken care in the Textile and Apparel Promotion Policy issued in G.O.Ms.No.300, Industries and Commerce (Tex) Department, Dated 8-11-2005.

Recommendation-20: As a large number of workers are employed, the units started in Export Parks may be given assistance of allocation of land free of cost in the Park for construction of barracks to house their workers @ one acre for every 300 workers employed.

Government have accepted the above recommendation and taken care in the Textile and Apparel Promotion Policy issued in G.O.Ms.No.300, Industries and Commerce (Tex) Department, Dated 8-11-2005.

Recommendation- 21: At present 99,011 identity cards have been issued to the weavers in cooperative fold and 81,541 cards to the weavers in the outside cooperative fold. The committee recommended to issue identity cards to the workers who are engaged in pre-loom and post-loom activities/operations also.

The above recommendation is accepted and being implemented by issue of Identify Cards to all weavers; engaged in pre-loom and post-loom activities covered by the Primary Societies, MAC Societies and individual weavers without any difference.

(PTO)

Recommendation- 22: To recommend to Government to write to Government of India to exempt Excise Duty on Processing charges of Handloom cloth by Processing Units.

The recommendation of the Expert Committee to exempt excise duty on processing charges of handloom cloth by processing units has already been accepted by the Government of India.

Recommendation- 23: For the units set up in Apparel Parks and Textile Parks manufacturing and exporting handloom garments, sales tax shall be exempted to reduce the financial burden on the Investors and the customers as well.

Government have accepted the above recommendation and it is under consideration..

Recommendation- 24: It is recommended to consider Housing Schemes in multistoried Complexes in urban areas like, Chirala, Dharmavaram, Warangal and Hyderabad etc. where sufficient land is not available.

Government have accepted the above recommendation and it is decided to encourage multistoried complexes in urban areas where sufficient land is not available and is being implemented in consultation with the District Collectors concerned in the State and Vice-Chairman and Managing Director, A.P.Housing Corporation.

Recommendation- 25: Govt. of India have announced a scheme called "Rashtriya Sama Vikas Yojana" (RSVY) Scheme. The total outlay of the scheme is Rs. 45.00 crores per District (@ Rs. 15.00 crores per year for three years) on 100 % grant basis. The Committee recommends the Government to allocate 1/4 th of the funds released to the Districts to the Handloom/Powerloom Industry for filling up critical gaps in infrastructure in the (5) Districts, where the Handloom sector is identified as the Lead Sector.

Government have accepted the above recommendation and it is recommended to Government of India to allocate 1/4 of the funds released under "Rashtriya Sama Vikas Yojana" (RSVY) scheme to the Districts for the benefits of Handloom, Power-loom weavers. The matter is being under consideration in consultation with District Collectors and Government of India, Ministry of Textiles.

Recommendation- 26: APCO may be restructured by reforming the Board, so as to make it a professional Body for handling commercial/export activities of member societies.

Government have accepted the above recommendation and being implemented to restructure the APCO by bringing change in the existing statute.

Recommendation- 27: The restructuring of APCO may be done on sound professional management system with accountability at all levels.

Government have accepted the above recommendation and APCO will be restructured on sound professional management with accountability.

Recommendation- 28: An equity contribution of Rs. 50.00 crores may be sanctioned to APCO to offset its accumulated losses.

Government have accepted the above recommendation and proposal of APCO, has been recommended to National Co-operative Development Corporation for consideration of Margin Money loan to APCO and the NCDC sanctioned and released the same to Government of Andhra Pradesh towards Margin Money assistance to the APCO. It is implemented vide G.O.Ms.No 247, Industries and Commerce (Tex) Department, dated 9-9-2006 sanctioning an amount of Rs.41.17 crores as loan towards Margin Money assistance to APCO.

Recommendation- 30 : APCO should undertake franchising of their showrooms to commercial firms/individuals by taking suitable bank guarantee/cash deposits, on cash and carry basis with a view to diversify sales. The franchisee should work within the framework of agreed terms and conditions/specifications for popularising APCO products.

Government have accepted the above recommendation and the Vice-Chairman and Managing Director, APCO shall take necessary action.

Recommendation: 31: 4% VAT on Handloom garments shall be exempted.

Government have accepted the above recommendation and it is under implementation.

Recommendation- 32: APCO may be provided assistance of Rs. 1.00 crore towards renovation of their showrooms and Rs. 1.00 crore towards subsidy on purchase of dyes and chemicals.

The APCO should focus more on new business avenues / turn over and commercial operation rather than looking up to Government for grants.

Chairman, APCO and Vice Chairman & Managing Director, APCO were requested by the Government to take corrective measures in organizing the operations of the APCO and further to see that the organization is run on sound, smooth and professional lines so as to provide continuous employment to weaving community and to create valuable fabric and garments for catching up exports. It is also felt that the ethnic value of the assets created by weaver artisans should be protected and given encouragement for commercially placing them in markets.

(PTO)

6. The Vice Chairman & Managing Director, APCO shall prepare a list of un-utilised properties of APCO and prepare a plan of action for realizing the monetary value of the property by taking appropriate measures and send necessary proposals to Government through Commissioner and Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad for review and orders.
7. The Commissioner and Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad and Vice-Chairman and Managing Director, Andhra Pradesh State Handloom Weavers Co-operative Society Limited, (APCO), Hyderabad, shall take necessary action and send necessary proposals wherever necessary to Government.
8. The Financial implications on account of implementation of the above recommendations on the Expert Committee on weavers problems shall be met from the budget provisions of Rs. 29.54 crores towards Handlooms and Textiles Promotion and an amount of Rs. 24.41 crores towards Financial Assistance to weavers provided in the Budget Estimates for 2006-07.
9. The Commissioner and Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad is requested to keep sufficient provisions in the Budget Estimates for 2007-2008 within the Plan outlay of Handlooms and Textiles Department for implementation of the recommendations of Expert Committee on weavers problems.
10. This order issues with concurrence of Finance (Expr.I&C) Department, vide their U.O.No.6949/855/Exp.I&C/2006, dated 13-11-2006
11. Copy of this order is available on the Internet and can be accessed at address <http://www.aponline.gov.in>.

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

Y.SRILAKSHMI
SECRETARY TO GOVERNMENT.

- To
- The Commissioner and Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad.
 - The Vice-Chairman and Managing Director, Andhra Pradesh State Handloom Weavers' Co-operative Society Limited., (APCO) Hyderabad.
 - The P.S to Minister for Finance.
 - Sri Vittal Rao, M.P (L.S), Member
 - Sri Puli Vecranna, MLA, Member.
 - Sri M. Hanumantha Rao, MLA, Member.
 - Sri Jonna Ramaiah, MLA, Member.
 - Sri Ranganayakulu, MLA, Member.(w.c.).
 - The P.S to Minister for Handlooms and Textiles.
 - The P.S. to Principal Secretary to Government, Finance (R&E) Department
 - The Principal Secretary to Government, Panchayat Raj (R&D) Department.

The Secretary to Government,
Youth Advancement, Tourism and Culture Department.
The Principal Secretary to Government, Social Welfare Department.
The Principal Secretary to Government, B.C. Welfare Department.
The Principal Secretary to Government, Tribal Welfare Department.
The Principal Secretary to Government, Health and Medical Department.
The Special Chief Secretary to Government, Revenue Department
The Principal Secretary to Government, Revenue (CT) Department.
The Principal Secretary to Government, Housing Department
The Principal Secretary to Government,
Agriculture and Co-operation (Sericulture) Department.
The Ex-Officio Secretary to Government,
Consumer Affairs, Food & Civil Supplies (C.S.I) Department.
The P.S. to Chief Secretary to Government.
The P.S. to Minister for Revenue/Minister for Rural Development/ Minister for
Animal Husbandry, Consumer Affairs, Food & Civil Supplies.
The Finance (Exp. I&C / BG.)Department
The Chairman,
Andhra Pradesh State Handloom Weavers' Co-operative Society Limited., (APCO)
Hyderabad.
All the District Collectors.
The Development Commissioner for Handlooms.
Ministry of Textiles, Government of India, New Delhi.
The Principal Secretary to Chief Minister.
The Additional Secretary to Chief Minister.
The Special Secretary to Chief Minister.
The Commissioner, Civil Supplies, Hyderabad.
The Commissioner, Sericulture Department.
The Commissioner, B.C. Welfare, Hyderabad.
The Commissioner, Social Welfare, Hyderabad.
The Commissioner, Tribal Welfare, Hyderabad
The Secretary of Residential Educational Institutions, Hyderabad.
The Managing Director,
Andhra Pradesh State Co-operative Bank (APCOB), Hyderabad.
The Commissioner, Panchayat Raj / Rural Development.
The Vice-Chairman and Managing Director,
A.P. Housing Corporation, Hyderabad.
The P.S to Principal Secretary to Government and
Commissioner for Industrial Promotion, Industries and Commerce Department.
The P.S. to Secretary to Government,
Industries and Commerce Department.
The P.A. to Additional Secretary to Government,
Industries and Commerce Department.
The Industries and Commerce (L&B) Department.
Stock File/Spare Copies.

//FORWARDED BY: ORDER//

Raj. P. S.
SECTION OFFICER
PB