

2

**STANDING COMMITTEE ON
LABOUR, TEXTILES AND SKILL DEVELOPMENT
(2024-25)**

(EIGHTEENTH LOK SABHA)

MINISTRY OF TEXTILES

**DEMANDS FOR GRANTS
(2024-25)**

SECOND REPORT



LOK SABHA SECRETARIAT

NEW DELHI

December, 2024/ Agrahayana, 1946 (Saka)

SECOND REPORT

**STANDING COMMITTEE ON
LABOUR, TEXTILES AND SKILL DEVELOPMENT
(2024-25)**

(EIGHTEENTH LOK SABHA)

MINISTRY OF TEXTILES

DEMANDS FOR GRANTS (2024-25)

Presented to Lok Sabha on 16.12.2024

Laid in Rajya Sabha on 16.12.2024



LOK SABHA SECRETARIAT

NEW DELHI

December, 2024/ Agrahayana, 1946 (Saka)

CONTENTS

PAGE No.

COMPOSITION OF THE COMMITTEE (2024-25) (iv)

INTRODUCTION (v)

REPORT

PART-I	NARRATIVES	1
I.	INTRODUCTORY	1
II.	OVERALL FINANCIAL OUTLAYS AND PERFORMACE	2
	i. Proposals and Allocations for 2024-25	2
III.	PHYSICAL TARGETS AND ACHIEVEMENTS	8
IV.	COTTON SECTOR	16
	i. Central Sector Scheme of Procurement of Cotton	16
V.	HANDLOOM INDUSTRIES	19
	a. National Handloom Development Programme	21
VI.	HANDICRAFTS SECTOR	29
	a. National Handicrafts Development Programme (NHDP)	32
VII.	SILK SECTOR	38
VIII.	TEXTILE SECTOR	44
	a. PM Mega Integrated Textile Region & Apparel (PM-MITRA) Parks	46
IX.	JUTE SECTOR	48
X.	RESEARCH AND CAPACITY BUILDING	58
	a. Scheme for Capacity Building in Textile Sector (SAMARTH)	58
	b. Production Linked Incentive (PLI) Scheme for Textiles	63
PART-II	OBSERVATIONS/RECOMMENDATIONS	65
	<u>APPENDICES</u>	
	*Appendix I- Minutes of the Third Sitting of the Committee held on 19 th November, 2024.	
	*Appendix II- Minutes of the Sixth Sitting of the Committee held on 12 th December, 2024.	

__*Not appended with this cyclostyled copy.

**COMPOSITION OF THE STANDING COMMITTEE ON LABOUR, TEXTILES AND SKILL DEVELOPMENT
(2024-25)**

Shri Basavaraj Bommai – Chairperson

MEMBERS

LOK SABHA

2	Shri Mani A.
3	Shri G. M. Harish Balayogi
4	Shri Aashtikar Patil Nagesh Bapurao
5	Shri Partha Bhowmick
6	Shri Yogender Chandolia
7	Shri Ram Prasad Chaudhary
8	Shri Chandra Prakash Choudhary
9	Shri G. Lakshminarayana
10	Shri Asit Kumar Mal
11	Shri Kali Charan Munda
12	Shri Rudra Narayan Pany
13	Shri Tanuj Punia
14	Shri Pradeep Purohit
15	Shri Mukesh Rajput
16	Shri Raja Ram Singh
17	Shri Adhikari Soumendu
18	Shri V. K. Sreekandan
19	Shri Manoj Tigga
20	Vacant
21	Vacant

RAJYA SABHA

22*	Smt. Jaya Amitabh Bachchan
23	Shri Naresh Bansal
24	Shri Govindbhai Laljibhai Dholakia
25	Shri Rajendra Gehlot
26	Dr. Syed Naseer Hussain
27	Shri Maharaja Sanajaoba Leishemba
28	Shri M. Shanmugam
29	Shri Shibu Soren
30	Vacant
31	Vacant

SECRETARIAT

1	Shri Jadumani Baisakh	-	Joint Secretary
2	Shri Sreekanth S.	-	Deputy Secretary
3	Smt. Shilpa Kant	-	Under Secretary

* Nominated w.e.f. 01.10.2024 vice Shri Saket Gokhale

INTRODUCTION

I, the Chairperson, Standing Committee on Labour, Textiles and Skill Development (2024-25) having been authorized by the Committee do present on their behalf this Second Report on 'Demands for Grants (2024-25)' of the Ministry of Textiles.

2. The Committee considered the Demands for Grants (2024-25) of the Ministry of Textiles which were laid on the Table of the House on 30th July, 2024. After obtaining the Budget Documents, Explanatory Notes, etc., the Committee took evidence of the representatives of the Ministry of Textiles on 19th November, 2024. The Committee considered and adopted the Report at their Sitting held on 12th December, 2024.

3. The Committee wish to express their thanks to the officers of the Ministry of Textiles for tendering oral evidence and placing before them the detailed written notes and post evidence information as desired by the Committee in connection with the examination of the Demands for Grants.

4. For ease of reference, the Observations and Recommendations of the Committee have been printed in thick type in the body of the Report.

New Delhi;
12 December, 2024
21 Agrahayana, 1946(Saka)

BASAVARAJ BOMMAI
CHAIRPERSON,
STANDING COMMITTEE ON LABOUR,
TEXTILES AND SKILL DEVELOPMENT

REPORT
PART- I

INTRODUCTORY

India is the 6th largest exporter of Textiles & Apparel in the world. The share of textile and apparel (T&A) including handicrafts in India's total exports stands at a significant 8.21% in 2023-24. India has a share of 3.91% of the global trade in textiles and apparel. Major textile and apparel export destinations for India are USA and EU and with around 47% share in total textile and apparel exports. The sector holds importance from the employment point of view as well. It provides direct employment of over 45 million people and source of livelihood for over 100 million people indirectly, including a large number of women and rural population. The sector has perfect alignment with Government's key initiatives of Make in India, Skill India, Women Empowerment and Rural Youth Employment.

1.2 In keeping with goal of making India's development inclusive and participative, the Government's central focus has been on increasing textile manufacturing by building the best-in-class manufacturing infrastructure, upgradation of technology fostering innovation, enhancing skills and traditional strengths in the textile sector.

1.3 The Ministry of Textiles is responsible for policy formulation, planning and development of the Textiles Industry. The main objective of the Ministry of Textiles is positioning India as a global Textiles Manufacturing Hub by developing a US\$ 250 billion Textile Industry and attaining US\$ 100 billion in Global Textile Exports by 2030 by focusing on high-tech & high-growth product segments, leveraging inherent strengths, developing large scale plug and play infrastructure, keeping sustainability at the core, while ensuring large-scale livelihood opportunities, providing impetus to traditional sectors and becoming Atma-nirbhar in raw material value chain.

1.4 During the course of evidence, the representatives of the Ministry of Textiles apprised the Committee regarding an overview of the Textiles sector as follows:

"...The industry's size is around USD 170 billion. It contributes between two to three per cent of the GDP. It has a big employment scope of around 4.5 crore. In garmenting, around 70 per cent of employees are women. We are number one in terms of production of jute and second in cotton, silk and man-made fibre (MMF). Since 2000, FDI contribution in the sector has been around \$4.5 billion. Our export is around \$36 billion, which contributes around eight per cent of

the Indian exports. So, we are a leading producer and our presence is in the entire value chain.”

1.5 The Demands for Grants of the Ministry of Textiles for the year 2023-24 are given under Demand No. 98. The detailed Demands for Grants of the Ministry were laid in the Parliament on 30th July, 2024. Comparison between the BE 2023-24 and 2024-25 and RE 2023-24 along with variations between RE 2023-24 and BE 2024-25 can be seen from the following statement:-

(₹ in crore)

	Budget Estimate 2023-24	Revised Estimate 2023-24	Budget Estimate 2024-25	Variation b/w RE 2023-24 & BE 2024-25
Revenue	4362.53	3424.53	4373.38	948.85
Capital	26.81	18.56	43.65	25.09
Total	4389.34	3443.09	4417.03	973.94

II. OVERALL FINANCIAL OUTLAYS AND PERFORMANCE

i. Proposals and Allocations for 2024-25

2.1 The total outlay proposed (Revenue and Capital) by Ministry of Textiles for the year 2024-25 was ₹ 4,480.00 crore. However Ministry of Finance allocated ₹ 4,417.03 crore for BE 2024-25 *vis-a-vis* amount proposed by Ministry of Textiles. Elaborating on the financial performance during last 2 years and current FY 2024-25, the Ministry submitted the following information:

(₹ in crore)

Year	Budget Estimate	Revised Estimate	Actual Exp.	Expenditure as % of BE	Expenditure as % of RE
2021-22	3631.46	11449.32	11170.91	307.61%	97.57%
2022-23	12382.14	3579.61	3379.21	27.29%	94.40%
2023-24	4389.34	3443.09	3083.30	70.25%	89.55%
2024-25	4417.03	--	1668.42 (up to 19.11.2024)	38% (up to 19.11.2024)	--

2.2 On a pointed query, when the Ministry was asked about the allocated funds under RE and the figures for actual expenditure incurred *vis-a-vis* the RE, the Ministry stated that “RE will be decided in the Pre-Budget Meeting

scheduled on 28.10.24”. However, RE for FY 2024-25 could not be decided until mid-November when the Ministry were called for evidence on the subject.

2.3 The Committee then enquired that whether the Ministry would be able to utilise the allocated amount of ₹ 4417.03 crore in 2024-25 and also the areas where savings are anticipated by the end of 31st March, 2025, the Ministry stated in their reply as under:

“The Ministry will make sincere efforts to utilize the funds provided under the Budget Estimates and more funds are being sought by this Ministry in Revised Estimates 2024-25. The savings available under some schemes will be utilized under the scheme where the Ministry is seeking funds with the approval of Parliament through Supplementary Demands for Grants. Once the Supplementary Demands for Grants is approved, necessary action for re-appropriating the funds to other schemes will be done with the approval of Competent Authority. However, the ministry is making efforts to fully utilize the funds. As on 13.10.24 an amount of ₹ 1207.62 crore has already been spent against BE of ₹ 4417.03, i.e 27.62%, even after imposition of model code of conduct from 17th March 2024 to 6th June, 2024”

2.4 The Committee then asked the Ministry about the reasons for enhancing the BE of ₹ 4389.34 crore for the fiscal 2023-24 to ₹ 4417.03 crore in 2024-25, it was submitted in their reply as under:

“The main enhancement of funds during the year 2024-25 is as under: (a) Cotton Corporation of India due to hike of MSP rates (b) under PM MITRA Scheme, 7 PM MITRA parks are being established across the country and for that, 1st installment of GoI share, i.e ₹ 50.00 crore is to be released during the year 2024-25, (c) increase in the funds amounting to ₹ 24.18 crore under Establishment Expenditure due to cost sharing of using the Satellites of ISRO/ Department of Space for the FY 2024-25, and (d) under PLI scheme ₹ 40.00 crore has been increased for disbursement of incentives.”

2.5 The Committee further asked what are the reasons for consistent shortfall/reduction in Actual Expenditure during the last two fiscals, the Ministry of Textiles submitted in their reply as under:

“Even though full utilization of funds allocated in Budget/Revised estimates could not be achieved, the expenditure performance over the last 2 financial years has shown a satisfactory trend. The Actual expenditure against Revised Estimates has been 95.4% in 2020-21, 97.6% in 2021-22 and 94.40% in 2022-23. However, it decreased in 2023-24 to 89.55%. The main reason of shortfall during the year 2023-24 was (a) under National Technical Textiles Mission (NTTM) shifting of fund flow mechanism to CNA Model, as prescribed by Ministry of Finance, took considerable time which impacted the fund release,(b) PM MITRA was relatively a new scheme, and hence only establishment related expenses were required and due to non-

receipt of viable proposals allocation was reduced in RE stage. However, efforts are being made by the respective program divisions of the Ministry and corrective measures are being taken for optimal utilization of the available budgetary resources.”

2.6 The Committee then desired to know about the measures being taken/proposed to be taken to remove the impediments encountered during the previous years so as to maximise utilisation of funds during 2024-25, the Ministry submitted as under:

“The Programme Divisions have been advised to prepare their expenditure plan to ensure optimum utilization of funds under various schemes of Ministry of Textiles and also directed/ being directed by Secretary (T) in Seniors Officers Meetings every week to maximize utilization of funds. In all manner, the Ministry will be endeavored to fully utilize the funds during the remaining part of current Financial Year.”

2.7 The Committee brought the guidelines issued by the Budget Division (Ministry of Finance) guidelines in regard to ceiling limit of expenditure i.e. 25% in last quarter and 10% in the last month of the fiscal year to the knowledge of the Ministry and asked what measures have been taken by the Ministry to adhere to these guidelines during 2024-25, the Ministry stated in their reply as under:

“The Ministry adheres to the guidelines issued by the Ministry of Finance on Cash Management from time to time. The expenditure in the last quarter and last month of Financial Year is incurred as per Ministry of Finance guidelines and approval of Competent Authority will be obtained in case of any relaxation of the ceiling is required.”

2.8 The Committee then asked the Ministry about the reasons for the downward revision of the the BE figure of ₹ 4389.34 crore to ₹ 3443.09 crore at RE stage during the FY 2023-24. The Ministry in their reply stated as under:

“The reduction occurred mainly under ATUFS (from ₹ 900.00cr. to ₹ 675.00cr) due to no new projects could be accepted last year and funds were utilized only for clearing the pending liability, National Handicraft Development Programme (₹ 238.33 to ₹ 155.00 cr) due to non receipt of viable proposals and pending utilization certificates and un-utilized CNA Balance and savings due to receipt of less proposals from SC/ST beneficiaries, NTTM (from ₹ 450.00 cr to 170.00 cr) due to procurement process took significant time, hence assigned amount could not be utilized, PM MITRA was relatively a new scheme, and hence only establishment related expenses were required and due to non-receipt of viable proposals allocation was reduced in RE stage.”

2.9 The Committee further asked the Ministry about the measures taken to ensure full utilization of the BE of ₹ 4417.03 crore in 2024-25 in the light of less utilization of funds in the previous year i.e. ₹ 3083.30 crore *vis-a-vis* RE of

₹ 3443.09 crore in 2023-24. The Ministry submitted before the Committee as under:

“The expenditure is being monitored regularly on weekly basis during the ‘Senior Officers Meeting’ presided over by Secretary (Textiles). The divisional heads have been advised to monitor the expenditure status of different schemes of the Ministry regularly and to expedite the expenditure well in time.”

2.10 The Committee desired to know if under-utilization of funds during the last three fiscals had hampered the overall implementation of Schemes. On this the Ministry commented as under:

“In many of projects, the gestation period is long, therefore expenditure did not take place on expected timelines. Now the initial bottlenecks are getting removed and these schemes are expected to perform better as compared to previous year”

2.11 As the main reason for under-utilization of earmarked funds is attributed to major decrease under ATUFs/NTTM and PM MITRA by the Ministry due to less receipt of viable proposals and pending utilization certificates, less procurement under Minimum Support Operation and implementation of revised procedure of funds flow, the Committee inquired about the specific efforts made/proposed by the Ministry to increase the receipt of viable proposals from the implementing agencies and pending Utilization Certificates and achieve physical and financial targets during 2024-25. The Ministry stated in their reply as under:

“The Secretary (Textiles) is reviewing the progress and taking measures in consultations with the Internal Finance Wing (IFW) to remove impediments wherever feasible, keeping in view the limitations of fiscal discipline. Regular meetings related to NTTM are being organized & Implementing Agencies (IAs) are being regularly monitored. Due diligence is being taken before approval of projects.”

2.12 The Budget proposals as submitted by the Ministry and Budget provision allocated for different schemes are as shown below:

(₹ in crore)

S. No.	Establishment Expenditure/Scheme	BE 2024-25 (Proposed)	BE 2024-25 (allocated)
1	Sectt.	51.97	75.18
2	Textiles Commissioner	64.78	61.66

3	Jute Commissioner	23.05	15.83
4	Development Commissioner Handloom	146.51	115.00
5	Development Commissioner Handicraft	120.60	102.56
6	Export Promotion Studies	5.00	5.00
7	<i>COP & COP Jute</i>	0.18	0.18
	Total Establishment Expenditure	412.09	375.41
	Central Sector Schemes		
8	TUFS	675.00	675.00
9	Cotton Corporation	0.01	600.00
10	National Handloom Development Programme	200.00	200.00
11	Raw material Scheme	200.00	172.17
12	Scheme for Protection of the Handlooms and Implementation of the Handlooms (Reservation of Articles for Production) Act, 1985	7.00	7.00
13	National Handicraft Development Programme	250.00	206.00
14	Handicraft Mega Cluster	30.00	30.00
15	Integrated Wool Development Programme	24.14	20.00
16	Development of Jute Textiles (NJB)	104.67	50.00
17	Jute Corporation of India Subsidy	33.00	30.00
18	Textiles Cluster Development	142.04	100.00
19	Integrated Processing Development Scheme	60.80	30.00
20	PM-MITRA	375.00	300.00
21	Production Linked Incentives (PLI)	5.00	5.00
22	SAMARTH	166.00	166.00
23	Research and Development	0.00	0.00
24	National Technical Textiles Mission (NTTM)	375.00	375.00
25	Scheme for usage of Geo Textiles in NER	0.00	0.00
26	Central Silk Bord (Grants towards Development of Silk)	945.55	900.00
	Total Central Sector Schemes	3593.21	3866.17
	Other Central Sector Expenditure		

27	Assistant Textile Committee	51.77	51.77
28	NIFT	100.00	98.67
29	Support to PSU	297.90	0.01
30	International Contribution	1.50	1.50
31	SVPITM	0.50	0.50
32	IICT(Inst. Of Carpet Technology)	6.00	6.00
33	TRAs & IJIRA	17.00	17.00
34	BJEL	0.01	0.00
35	BIC	0.01	0.00
36	NJMC	0.01	0.00
	Total Other Central Sector Expenditure	474.70	175.45
	Grand Total	4480.00	4417.03

III. PHYSICAL TARGETS AND ACHIEVEMENTS

Schematic Budget & Expenditure (1/3)

(Rs. in Crore)

Sl. No.	SCHEMES	Budget Estimate 2023-24	Revised Estimate 2023-24	Actual Exp. 2023-24	% age Exp w.r.t. RE	Budget Estimate 2024-25	Exp. As on 13.11.24	% w.r.t BE 2024-25
1	Sericulture	917.77	875.00	875.00	100.00%	900.00	654.53	72.73%
2	Jute	142.00	103.00	101.10	98.16%	80.00	40.28	50.35%
3	Handloom	491.96	472.507	463.40	98.07%	494.17	266.05	53.84%
4	Handicraft	404.13	275.74	276.41	100.24%	344.56	154.77	44.92%
5	NIFT	104.00	103.13	101.00	97.93%	98.67	19.94	20.21%
6	Textiles Cluster Development	141.54	70.00	33.04	47.20%	100.00	20.07	20.07%
7	Textiles Research Associations (TRAs)	17.00	17.00	17.00	100.00%	17.00	8.50	50.00%
8	PLI	5.00	5.00	4.13	82.60%	45.00	0.00	0.00%
<small>Ministry of Textile</small>								
9	Research & Dev.	0.02	20.50	5.99	29.22%	0.00	0.00	0.00%
10	IPDS	60.00	26.00	12.86	49.46%	30.00	4.81	16.03%
11	Assistance to Textiles Committee	56.55	56.55	54.80	96.91%	51.77	25.49	49.24%
12	SAMARTH	115.00	115.00	114.99	99.99%	166.00	88.02	53.02%
13	Cotton	0.01	0.01	0.00	0.00%	600.00	0.00	0.00%
14	ATUFS	900.00	675.00	577.75	85.59%	635.00	125.38	19.74%
15	PM- MITRA	200.00	52.30	0.13	0.25%	300.00	19.60	6.53%
16	Wool	27.11	13.50	11.28	83.56%	20.00	8.95	44.75%
<small>Ministry of Textile</small>								
17	PSUs	222.84	217.84	217.34	99.77%	0.01	0.00	0.00%
18	National Technical Textiles Mission	450.00	170.00	62.23	36.61%	375.00	158.52	42.27%
19	Others	134.41	175.02	154.85	88.481%	159.85	73.51	45.99%
	Total	4389.34	3443.09	3083.30	89.55%	4417.03	1668.42	37.77%

3.1 On a pointed query of the Committee regarding unutilized funds pertaining to the year 2023-24 and the amount surrendered by the Ministry, the Ministry stated as under:

“The savings of ₹ 13060267 thousand has been surrendered during the year 2023-24. ₹ 12958024 thousand under Revenue Section and ₹ 102243 thousand under Capital Section in Grant No. 98 was made by Ministry of Textiles during 2023-24.”

3.2 Further the Ministry forwarded the reasons for shortfalls in achieving the targets under the following schemes during the FY 2023-24:

(i) Amended Technology Upgradation Fund Scheme (ATUFS)

In the Financial Year 2023-24, a total of 1889 cases were settled with an expenditure of ₹ 577.28 crore. Shortfall can be attributed to suspension of iTUFS portal for 6 months due to forensic audit of portal. This led to loss of receipt of new cases in first quarter of 2023-24.

(ii) National Handloom Development Programme

The reasons attribute for shortfalls in the achievement of targets are as under:

- Non-receipt of viable proposals from States/UTs Govts.
- Handloom workers not coming forward for enrolment under PMJJBY/PMSBY and for Weavers MUDRA loan as the schemes are voluntary.

(iii) Various schemes/programmes related to handicrafts industire

a) Raw Material Supply Scheme

During 2023-24, ₹159.72 crore has been utilized out of BE/RE of ₹160 crore and 339.98 lakh kg. yarn supplied against target of 339 lakh kg. Hence, there is no shortfall.

(iv) National Handicraft Development Programme, Handicraft Mega Cluster & Various schemes/programmes related to handicrafts industries.

The reasons for shortfall with respect of National Handicrafts Development Programme (NHDP) and Comprehensive Handicrafts Cluster Development Scheme (CHCDS) is as under:-

PHYSICAL TARGETS, ACHIEVEMENTS AND REASON FOR SHORTFALL FOR THE YEAR 2023-24			
S. No	Name of the Scheme /Project Programme	Target	Achievements
1	National Handicrafts Development Programme (NHDP)	181 Domestic & International Marketing event	208 Domestic & International Marketing event
		378 Skill & Design Development Training	452 Skill & Design Development Training

		10000 toolkits distributions	9050 toolkits distributions
		Identification of 60 Adopted & Export Oriented Clusters	Identification of 22 Adopted & Export Oriented Clusters
		Formation of 40 Producer Companies	Formation of 49 Producer Companies
		08 Infrastructure projects	21 Infrastructure projects
		Financial Support to 465 artisans under indigent circumstances	Financial Support to 538 artisans under indigent circumstances
		Interest Subvention to 4000 artisans	Interest Subvention to 1144 artisans
		Margin Money to 1500 artisans	Margin Money to 299 artisans
		Issuance of 1.5 Lakhs artisans Identity card	Issuance of 1.53 Lakhs artisans Identity card
		125 Awareness Programme	670 Awareness Programme
		22 Survey/ Studies	10 Survey/ Studies
		60 Seminar/ Workshops	137 Seminar/ Workshops
2	Comprehensive Handicrafts Cluster Development Scheme (CHCDS)	Setting up of 5 Mega Clusters/ IDPH	Setting up of 1 Mega Clusters

(V) Pashmina Wool Development Programme

The Pashmina Scheme is being implemented in Leh and Kargil districts of UT of Ladakh where climatic conditions are very challenging. The UT remains cut from main part of the country for approximately 5-6 months in a year and every small thing/material has to be procured outside the UT region which causes delays in the procurement of items/materials. Due to severe climatic conditions, the implementation of the project by Implementing Agency caused very slow progress.

Further, the release of funds under PFMS was also delayed due to the adoption of the PFMS system by the IAs which involved the opening of a new zero balance account, accounting for actual expenditure made by respective IAs leading to a shortfall in expenditure.

(vi) Grants towards Development of Silk Industry

The details of physical targets and achievements during the year 2023-24 with reasons for shortfall are as under;

Sl. No.	Name of Scheme	2023-24		Reasons for shortfall
		Target	Achievement	
1	New Projects to be initiated-Nos.	35	35	No shortfall
2	Number of Research projects to be concluded	33	41	No shortfall
3	Capacity Building and Training under CSB Schemes-No. of persons	11120	13908	No shortfall
4	Cocoon and Raw Silk Centers-Nos.	6	7	No shortfall
5	Production of basic and commercial seeds for Mulberry, Tasar, Muga- DFLs (Disease Free Layings) /Silkworm Seed in lakhs	487.89	415.56	Abiotic factors fluctuated to a great extent affecting the input raw material, which impacted the overall production target seed production.
6	Silk Mark Members enrollment-Nos.	300	436	No shortfall
7	Programmes/Events/Expo/Road show to be organized-Nos.	625	838	No shortfall
8	Silk Marked Label distribution-Lakh nos.	28	35.93	No shortfall

(vii) Scheme for Development of Jute Sector

The National Jute Development Program (NJDP) - an Umbrella Scheme, for development and promotion of Jute Sector has been approved for implementation by National Jute Board during 2021-22 to 2025-26 at total financial outlay of ₹485.58 Crore. During the FY 2023-24, out of revised estimate of ₹. 75.00 Crore, ₹ 73.10 Crore has been utilized under NJDP. The shortfall was due to partial implementation of approved schemes/ activities.

(viii) Integrated Process Development Scheme of Textiles Sector

As regards the Integrated Processing Development Scheme (IPDS), 6 approved projects are currently under implementation. Most of these projects were approved in the year 2015-16. Out of 6 projects, it is expected that 2 will be completed by the end of the current financial year and 2 to be completed by next financial year. Further, Project Approval Committee (PAC) regularly reviews the physical progress of the park and given necessary direction as needed.

(ix) PM Mega Integrated Textile Region and Apparel (PM MITRA)

In respect of PM MITRA, the government has finalized 7 sites: Tamil Nadu (Virudhunagar), Telangana (Warangal), Gujarat (Navsari), Karnataka

(Kalaburagi), Madhya Pradesh (Dhar), Uttar Pradesh (Lucknow), and Maharashtra (Amravati) for setting up PM MITRA Parks. SPVs have also been incorporated in all 5 Greenfield States. A paid-up capital of ₹ 4.9 crore each has been released to Gujarat, Madhya Pradesh, Uttar Pradesh, and Tamil Nadu.

(x) Production Linked Incentive (PLI) Scheme for Textiles

The shortfall in PLI scheme in the FY 2023-24 was due to the scheme is in Gestation period for FY 2022-23 & FY 2023-24. FY 2024-25 is the first performance year and FY 2025-26 is the first incentive claim year.

3.3 The Committee further asked what concrete steps were taken/proposed by the Ministry to enhance the performance of achievement of physical targets in the various Schemes/ Projects/Programmes during 2024-25 fiscal, the Ministry in their reply submitted as under:

“Scheme-wise details of steps taken/proposed by the Ministry to enhance the performance of achievement of physical targets in the various Schemes/ Projects/Programmes during 2024-25:

a. Amended Technology Upgradation Fund Scheme (ATUFS)

As the ATUFS expired in March 2022; only committed liabilities are being cleared. For expediting the process various steps such as regular review meetings, camp mode settlement, fast track of OTC's (One Time Correction), rationalization of staffs in TxC office etc. has been taken. For quarterly expenditure concerned, though there is corresponding decrease in expenditure as there was a little slowdown in new Joint Inspection Team (JIT) request due to Lok Sabha election-24 therefore; new requests were received upto 31.08.2024 which are likely to be cleared in this FY only. This will further increase pace of expenditure.

b. National Handloom Development Programme

States/UTs Governments have been requested to submit the complete proposals in time. Meetings have been organized from time to time by the senior officers to review the status of proposals with field officers as well as State/UT Governments and instructions have been issued to expedite and submit the proposals in time. Awareness programmes for weavers are also organised.

c. Raw Material Supply Scheme

Awareness through more dissemination camps, Buyer seller meets, supply of yarn through postal department etc. are being conducted to achieve the targets under the scheme.

d. National Handicraft Development Programme & Handicraft Mega Cluster

Following are the steps taken/ proposed by the office of Development Commissioner (Handicrafts) to enhance the performance of the schemes viz. National Handicrafts Development Programme (NHDP) and Comprehensive Handicrafts Cluster Development Scheme (CHCDS);

- i. Various Training programmes are being conducted to provide the implementing agencies for better and effective implementation of CNA, PFMS and all the schemes.
- ii. Timeline is being set for sanctioning of new projects, and submission of UCs for release of subsequent installment to complete the project on time.
- iii. IT is being utilized to avoid the delay for processing the proposals and proper monitoring of the schemes.
- iv. Co-ordination with bank to speed up opening of ZBSA under CNA and resolution of issues pertaining to account mapping and indexing.

e. Pashmina Wool Development Programme:

The Ministry regularly reviews the Physical & Financial progress of the Integrated Wool Development Programme (IWDP) schemes during each FY. Further, State Govt. IAs are also intimated regularly by CWDB for timely utilization of funds for speedy progress of the projects.

f. Grants towards Development of Silk Industry

The following are the major interventions taken under Silk Samagra-2 to enhance the performance of achievements of physical targets during 2024-25.

- Support to beneficiaries has been rationalized as bundle of packages from earlier individual / isolated components to provide full package of technology for desired outcome to help small and marginal farmer. A total central share of ₹992.16 crore has been released to States during the period 2021-22 to 2024-25 – till date (including ₹129.30 crore released in 2024-25) covering 74574 farmers/ beneficiaries (including 16432 farmers of 2024-25), towards implementation of beneficiary components.
- Provision made to support to Seri business Enterprise / Entrepreneurs and FPOs to encourage entrepreneurship in sericulture activities - Supported 8 SPVs/ NGOs Karnataka (2 Nos.- Seri women farmers foundation, Dharwad & Kushal Karmi Farmers Council, Belagavi), Chhattisgarh (Chhattisgarh Minor Forest Produce Co-op Ltd.) Uttarakhand (2 nos-Devbhumi Silk farmers Foundation & Uttarakhand Co-operative Resham Federation), Nagaland (1-Samvrudhi SPV under Nukamer Foundation) & Jharkhand (2- Jharcraft & Gnanodaly Bal Evam Mahila Vikas Samiti), to encourage entrepreneurship in sericulture activities.
- With a focus to tap the potential of Eri Silk outside NE, a Eri sericulture promotional project was launched on August 10, 2024, at

Sardarkrushinagar, Palanpur(Gujarat), aiming to encourage castor-growing farmers in Gujarat's Banaskantha, Mehsana, Patan, and Sabarkantha districts. An awareness campaign in the major castor-producing districts of Banaskantha, Mehsana, Patan, and Sabarkantha reached 112 villages, with 2,136 farmers showing interest. A village-level training program engaged 817 farmers, while four rearing houses and an Eri Chawki Rearing Centre (CRC) are being established to support rearing operations. Additionally, four Sericulture Resource Centres (SRCs) were set up to provide hands-on training to farmers.

- Strengthening of market infrastructure- Supported Karnataka, Mizoram and Nagaland States for strengthening of Marketing infrastructure.

- Special focus has been given for development of sericulture in North East. A total of 33 new sericulture projects approved /sanctioned under Silk Samagra-2 scheme for implementation in NE States/Council and a total central share of ₹235.85 crore has been released during 2021-22 to 2024-25 -till date.

- Special focus given on value addition to produce high value products, non-textile application of silk and by-product utilization. Initiated 6 R & D projects and concluded 3 R&D projects focusing on the by-product utilization. Development of packaging material for fruits and vegetables basing Seri by-products (Sericin, Cellulose and Chitin) is under progress. Further, CSB has submitted four R&D projects to NTTM for funding with main focus on technical textiles.

- Providing Incubation facility to R&D Institutes with linkages to start ups for commercialization and field application of technologies. Established two incubation centres one each at CSB-CTRTI, Ranchi (for tasar reeling and spinning) and CSB-CSRTI, Mysore (for mass multiplication of bio-control agents and by-products) to support start-up in silk sector.

- Promotion of private participation in Bivoltine silkworm-seed production and its distribution. Under Silk Samagra-2 scheme, approved/supported, 6 large scale mulberry grainages having capacity to produce 30-50 lakhs bivoltine hybrid dfls. (3 in Karnataka and one each in Tamil Nadu, Andhra Pradesh, and Manipur), for production of quality Bivoltine DFLs.

- To assess the impact of Silk Samagra -2 scheme in the field and to suggest mid-course corrections/modification in the scheme implementation, a Mid-term evaluation study is being conducted through a third party.

g. Scheme for Development of Jute Sector

The schemes under National Jute Development Program (NJDP) with objectives are framed and implemented by NJB from 2021-22, keeping in view overall development and promotion of the jute sector. The progress of implementation has been closely monitored by the Sub-Committee and reported / reviewed by the Monitoring Committee (MC) under the Chairmanship of Jute Commissioner. The Committee meets at regular interval and reviews the progress of implementation of the schemes and suggest the modifications if required, so as to achieve overall physical targets of various schemes and objectives.

As approved in the 30th Board Meeting of the National Jute Board held on 5th July, 2024 under the Chairpersonship of Secretary, Ministry of Textiles, NJB initiated action to commission a Study on the Jute Sector to the focus on increasing market share of Jute in Domestic & Global Market along with evaluation of implementation of the on-going Schemes under National Jute Development Program (NJDP). According to suggestive steps during the 30th Board Meeting, efforts are being made to achieve the target of 2024-25 fiscal.

For betterment in implementation of MSP operation of jute, the following concrete steps are taken / proposed by Jute Corporation of India Ltd. to enhance the performance of achievement of physical targets in the various schemes / projects / programmes during 2024-25:

- i. The Administrative Ministry (MoT) conducts regular meetings to review the scheme under which the Corporation is given the Grant of Subsidy. As outcome of these meetings, the Corporation has been advised to modernize its operations to keep pace with the changing needs and discharge its obligations in a more systematic manner. In this direction, the following steps are being taken by JCI:
- ii. Modernizing the IT infrastructure of Departmental Purchase Centre (DPC), by ensuring Computer Equipment and broadband Internet connection at DPCs of JCI situated at remote locations for smooth MSP Operation.
- iii. Ensuring 100% online payment directly to the farmer's bank account against purchase of raw jute.
- iv. Installing firefighting equipment in all DPCs and CCTV cameras.
- v. Estimation of jute crop quality and quantity through crop cutting experiment with the help of NRSC-ISRO which will be continued in future, as well.

h. Integrated Process Development Scheme of Textiles Sector

As regards steps to enhance performance, the Project Approval Committee (PAC) regularly reviews the physical progress of the parks and issues necessary directions as needed. In addition, a monthly progress report is submitted by the Project Management Consultants under IPDS. Furthermore, the Office of the Textile Commissioner submits physical and financial progress reports as required.

i. PM MITRA

The Telangana brownfield park is operational, with more than half of the available land sold. The foundation stone for the Maharashtra brownfield park has been laid, and it is expected that work will begin this month.

j. Production Linked Incentive (PLI) Scheme for Textiles

Regular interaction with the PLI participants on the level of Hon'ble Minister of Textiles, Secretary (Textiles) and Trade Advisor are held."

IV. COTTON SECTOR

4.1 Cotton is one of the most important cash crops and accounts for around 23% of the total global fibre production. In the raw material consumption basket of the Indian textile industry, the proportion of cotton is around 60%. The consumption of cotton is approximately 323 lakh bales (170 kg each) per year. India occupies first position in the world in cotton acreage with 126.80lakh hectares under cotton cultivation which is around 40% of the world area of 313.30lakh hectares. Approximately 62% of India's Cotton is produced on rain-fed areas and 38% on irrigated lands. During Cotton season 2023-24, India's productivity was around 436 kg/ha. India has emerged one of the largest producers, consumers and exporters of cotton in the World.

4.2 Apart from being the provider of a basic necessity of life i.e. clothing which is next only to food, cotton is also one of the largest contributor to India's net foreign exchange by way of exports in the form of raw cotton, intermediate products such as yarn and fabrics to ultimate finished products in the form of garments, made ups and knitwear. Due to its economic importance in India, it is also termed as "White-Gold".

4.3 Cotton plays a major role in sustaining the livelihood of an estimated 6 million cotton farmers and 40- 50 million people engaged in related activities such as cotton processing and trade. To support the cotton industry, Government of India announces Minimum Support Price (MSP) for two basic staples groups viz., medium staple and long staple cotton. The Cotton Corporation of India Ltd. (CCI), a Public Sector Undertaking under the Ministry of Textiles, is the nodal agency of Government of India for undertaking MSP operations in the event of prevailing seed cotton (kapas) prices fall below the MSP level.

4.4 Due to Global pandemic, CCI had to undertake massive MSP operations in the last two years i.e. in 2019-20, 124.60 Lakh bales valuing ₹ 33,500 crore were procured under MSP operations benefiting 25 lakh cotton farmer. Whereas during 2020-21, procurement under MSP operations was 99.33 Lakh bales, valuing ₹ 28,800 crore, benefiting 20.50 lakh cotton farmer. However, in 2021-22 & 2022-23 farmers got better price above MSP from market forces itself and CCI intervention for undertaking MSP operations was not required.

During Cotton season 2023-24, CCI has procured 32.84 lakh bales valuing ₹ 11,712 crore under MSP operations, benefitting about 7.25 lakh cotton farmers in all cotton growing States.

i. CENTRAL SECTOR SCHEME OF PROCUREMENT OF COTTON

4.5 The details of Budget allocation and utilization under Procurement of Cotton during the last three financial years and BE for 2024-25 are as follows:

(₹ in Crores)

S. No.	Year	BE	RE	AE
1	2021-22	136.00	8439.88	8331.96
2	2022-23	9243.09	780.71	678.99
3	2023-24	0.01	0.01	00
4	2024-25	600	-	-

4.6 In order to ensure the benefit of MSP to large section of cotton farmers, with the approval of Cabinet Committee on Economic Affairs (CCEA), the Department of Agriculture appointed Cotton Corporation of India (CCI) as a Central Nodal agency, under Ministry of Textiles for undertaking MSP operations of cotton. In the event when prices of seed cotton (kapas) fall below the MSP level, CCI procures kapas offered by the cotton farmers at MSP rates. CCI is handling MSP operations of cotton along with its sub-agent Maharashtra State Co-Operative Cotton Grower's Marketing Federation Ltd. (MSCCGMFL) in Maharashtra state, appointed by the Ministry of Textiles and approved by CCEA. The CCEA also approves that the losses incurred towards these operations by CCI and its sub agent will be fully reimbursable by the Government of India.

4.7 In India, out of estimated 6 million cotton farmers, about 85% farmers are estimated in marginal and small farm categories of less than 2 hectares. These small farmers cultivate cotton by taking crop loans from banks, co-operative societies/banks and institutional lenders etc. Factors like crop damage due to adverse agro-climatic- conditions (e.g. insufficient rains, untimely rains, flood, hailstorm etc.) and natural calamities reduces the yield and increase the cost of production to the cotton farmer₹

4.8 To overcome the above situation and to provide alternate channel to sell cotton at a predetermined reasonable price, Govt. of India is declaring MSP of cotton every year based on the formula of 1.5 times of cost of production (A2+FL) so as to ensure reasonably fair remuneration i.e. at least 50% over cost of production to farmer₹

4.9 The main objective of MSP is to prevent distress sales by cotton farmers by providing them an alternate price at which cotton can be sold by them. MSP system ensures minimum price to cotton farmers and saves them from any distress sales in the eventuality of cotton prices fall below MSP.

4.10 Volume of MSP operations of cotton largely depend on demand & supply situation of cotton in domestic and international market. The quantum of procurements and number of beneficiaries tends to change every year depending upon the market situation. There is no measurable indicator to evaluate the scheme periodically, as it is a sovereign function of the

Government of India to safeguard the cotton farmers from any eventuality of distress sales.

4.11 CCI always remains ready to meet any eventuality to undertake procurements under MSP operations throughout the season. However, the volume of procurements under MSP operations depend on the prevailing market situation based on demand & supply of cotton in domestic and international market. For smooth conduct of MSP operations, infrastructural arrangements are monitored through review meetings with State Government and District Administration before commencement of cotton season. The preparedness of MSP operations are also reviewed by the Secretary (Textiles). Special initiatives are being taken for smooth MSP operations for benefit of farmer

4.12 The Committee enquired whether the scheme was suppose to function within a limited period, the Ministry stated in their reply as under:

“This is a continuing scheme. To ensure that a large number of cotton farmers benefit from the Minimum Support Price(MSP), the Cabinet Committee on Economic Affairs (CCEA) approved the appointment of the Cotton Corporation of India(CCI) as a Central Nodal Agency under the Ministry of Textiles to conduct MSP operations. When the price of seed cotton (kapas) falls below the MSP, CCI procures it at MSP rates from the farmers.”

4.13 The Committee further asked about the reasons for the enhanced demand of Rs 600 crore at BE stage in 2024-25 vis-à-vis almost no funds allocated in 2023-24, the Ministry submitted as under:

“Reasons for enhanced demand are as under:

(a) On 10th November 2021, the CCEA approved a committed price support of ₹ 17,408.85 crore to CCI for the cotton seasons from 2014-15 to 2020-21.

(b) During the 2019-20 cotton season, CCI procured 105.15 lakh bales and MSCCGMFL procured 19.45 lakh bales, which was the highest-ever MSP operation due to the global pandemic. At the time of preparing the anticipated price support, CCI had incurred MSP losses of ₹ 6,767.36 crore by 31.12.2020. The anticipated price support for the 16.05 lakh unsold bales was ₹ 1,299 crore, making the total support ₹ 8,066 crore for CCI. MSCCGMFL anticipated price support of ₹ 1,346 crore for 19.45 lakh bales.

(c) Similarly, during the 2020-21 cotton season, CCI procured 91.89 lakh bales, and MSCCGMFL procured 7.44 lakh bales. The anticipated price support for unsold bales was ₹ 6,926 crore for CCI and ₹ 538 crore for MSCCGMFL. In 2021-22, the BE of ₹ 136 crore was enhanced to ₹ 8,439.88 crore to reimburse price support to CCI and MSCCGMFL, as approved by the CCEA. In 2022-23,

the BE was set at ₹ 9,243.09 crore. However, following the easing of lockdown measures, cotton demand improved, leading to a significant rise in prices.

(d) Cotton prices, which were around ₹ 47,000 per candy in March 2021, rose to ₹ 76,000 per candy by January 2022. Consequently, CCI and MSCCGMFL fetched better returns on unsold bales, reducing the actual price support required. For the 2019-20 season, CCI's actual price support was ₹ 6,358 crore (against ₹ 8,066 crore anticipated) and ₹ 982 crore for MSCCGMFL (against ₹ 1,346 crore). The actual price support for 2020-21 dropped to ₹ 847 crore (CCI: ₹ 717 crore, MSCCGMFL: ₹ 130 crore) from the anticipated ₹ 7,464 crore.”

4.14 Elaborating the reasons behind Ministry’s demand of only ₹ 0.01 crore in 2023-24 under this Scheme, it was submitted by the Ministry as under:

“The price support is reimbursed to CCI based on audited accounts. Since the 2021-22 cotton season, the price of kapas has remained above the MSP, so no MSP support was required for 2021-22 and 2022-23. Therefore, the BE for 2023-24 was set at ₹ 0.01 crore. However, in 2023-24, CCI procured 32.84 lakh bales, and the anticipated price support of ₹ 1,713 crore will be included in the RE for 2024-25.”

V. HANDLOOM INDUSTRIES

5.1 The Handloom Sector is one of the largest unorganized economic activities of India and it constitutes an integral part of the rural and semi-rural livelihood engaging over 35 lakh persons. The sector engages over 25 lakh female weavers and allied workers which makes it an important source of economic empowerment of women. Handloom weaving constitutes one of the richest and most vibrant aspects of the Indian cultural heritage. The sector has advantage of being less capital intensive, minimal use of power, being eco-friendly, flexibility of small production, openness to innovations and adaptability to market requirements. Because of the uniqueness and exclusivity of designs, capability to produce small batch sizes and being eco-friendly fabric, handloom products are in high demand in the international and the domestic market and retailers with discerning clientele looking for reliable source of authentic handloom products on regular basis.

One of the largest in terms of employment potential, Handloom industry, with 28.23 lakh handlooms, plays a very important role in the country’s economy, producing both for domestic as well as international consumption.

5.2 The major handloom export centers are Karur, Panipat, Varanasi & Kannur where handloom products like Bed linen, Table linen, Kitchen linen,

Toilet linen, Floor coverings, embroidered textile materials, curtains etc. are produced for export markets.

5.3 Scrutiny of the details provided by the Ministry gives the following figures of Budget allocation and utilization under Handloom Industries during last three years and the BE for current year 2024-25 as follows:

(₹ in Crores)

S. No.	Year	BE	RE	AE
1	2021-22	481.82	378.50	360.93
2	2022-23	310.00	291.00	297.21
3	2023-24	367.00	357.00	352.31
4	2024-25	379.17		

5.4 When the Ministry was asked about the reason for reduction of funds continuously at R.E stage since 2021-22, the Committee were informed as under:

“The reasons for reduction of funds under NHDP are as follows:

- Non-receipt of viable proposals from States/UTs Govts.
- Handloom workers not coming forward for enrolment under PMJJBY/PMSBY and for Weavers MUDRA loan as the schemes are voluntary.”

5.5 Elaborating the physical targets set and achievements under Handloom Sector during the last three fiscals the Ministry forwarded the following information:

“Details of physical targets set and achievements under Handloom Sector during last three years and current year are as under:-

Name of Scheme	Targets (Physical)	Achievements	Targets (Physical)	Achievements	Targets (Physical)	Achievements	Targets (Physical)
	<u>2021-22</u>		<u>2022-23</u>		<u>2023-24</u>		<u>2024-25</u>
NHDP SCDPs	100 SCDPs	69 SCDPs	150 SCDPs	110 SCDPs	100 SCDPs	96 SCDPs	104 SCDPs
NHDP-HMA (marketing events)	200 mktg. events	211 mktg. events	200 mktg. events	210 mktg. events	116 mktg. events	155 mktg. events	127 mktg. events
NHDP-Weavers MUDRA Scheme	0.25 lakh weavers	0.095 lakh weavers	0.15 lakh weavers	0.077 lakh weavers	0.18 lakh weavers	0.079 lakh weavers	0.20 lakh weavers
NHDP – Mega Handloom Cluster	No targets are set.	One Mega handloom cluster financially assisted in East Imphal (Manipur)	No targets are set.	Subsequent installments of ongoing projects are released.	No targets are set.	Subsequent Installments of ongoing projects are released.	No targets are set

NHDP – Handloom Weavers welfare Enrolment of weavers	0.50 lakh weavers	1.12 lakh weavers	2.495 lakh weavers	0.69 lakh weavers	2.995 lakh weavers	1.30 lakh weavers	3.245 lakh weavers
RMSS Yarn Supply in lakh kg.	291.00 lakh kg	235.80 lakh kg.	366.00 lakh kg.	304.71 lakh kg.	339.00 lakh kg.	339.98 lakh kg.	360 lakh kg.

5.6 The Committee further desired to know if there was any short fall under this Head of account and the remedial action initiated to overcome this situation in future, it was submitted by the Ministry as under:

“Details of remedial action have been initiated by Ministry of Textiles are as follows:-

(a) States/UTs Governments have been requested to submit the complete proposals in time. Meetings have been organized from time to time by the senior officers to review the status of proposals with field officers as well as State/UT Governments and instructions have been issued to expedite and submit the proposals in time. Awareness programmes for weavers are also organised.

(b) Awareness through more dissemination camps, Buyer seller meets, supply of yarn through postal department etc.”

5.7 To promote handloom sector, the Office of the Development Commissioner for Handlooms, Ministry of Textiles, is implementing the following schemes across the country:

- (a) National Handloom Development Programme (NHDP)**
- (b) Raw Material Supply Scheme (RMSS)**

5.8 Under the above schemes, financial assistance is provided to eligible handloom agencies/weavers for raw materials, procurement of upgraded looms & accessories, solar lighting units, construction of workshed, skilling, product & design development, technical and common infrastructure, marketing of handloom products in domestic/overseas markets, concessional loans under weavers’ MUDRA scheme and social security etc.

5.9 The above schemes have been approved for implementation during 2021-22 to 2025-26 from appropriate authorities.

(a) National Handloom Development Programme (NHDP)

National Handloom Development Programme (NHDP) includes following Schemes/Programmes:

- (i) Small Cluster Development Programme (SCDP): Financial assistance upto ₹ 2.00 crore per SCDP for various interventions

such as Hathkargha Samvardhan Sahayata, product development, construction of workshed, project management cost, design development etc. is provided. The proposals are recommended by the State Government.

- (ii) Handloom Marketing Assistance (HMA) is one of the components of National Handloom Development Programme. In order to provide marketing platform to the handloom agencies/weavers to sell their products directly to the consumers, financial assistance is provided to the States/eligible handloom agencies for organizing marketing events in domestic as well as overseas markets.
- (iii) Special Infrastructure Projects: Objective of the scheme is to set up project/s for product development/diversification, improving the productivity/ quality of handloom products, value addition of handloom products, marketing etc. to meet challenges of the dynamic market.
- (iv) Mega Cluster Development Programme: Mega Handloom Clusters in various parts of the country will be taken up for their holistic development, drawing comprehensive development plans. Each Mega Handloom Cluster will cover atleast 10,000 handlooms with GoI contribution upto ₹30.00 crore per mega cluster. Nature and level of assistance to each Mega Cluster will be need based.
- (v) Concessional Credit/Weavers' MUDRA Loan: Under the Scheme, margin money assistance for individual weaver and Handloom Organizations; interest subvention and credit guarantee fees on loans for a period of three years are provided. MUDRA Portal has been developed in association with Punjab National Bank to cut down delay in disbursement of funds for margin money, interest subvention and credit guarantee fee.
- (vi) Handloom Weavers' Welfare: Handloom Weavers' Welfare is providing life, accidental and disability insurance coverage under the components Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Converged Mahatma Gandhi Bunkar Bima Yojana (MGBBY). This scheme also provides scholarship for higher education to handloom weavers/workers' children (upto 2 children) and financial support for Awardee weavers above 60 years of age in indigent circumstances.
- (vii) Hathkargha Samvardhan Sahayata (HSS): HSS was introduced on 1st December 2016 with an objective to provide looms/accessories to the weavers to enhance their earnings through improved productivity and quality of the handloom products. Under the scheme, 90% of the cost of loom/accessory is borne by the Government of India while remaining 10% is borne by the beneficiary. The Government of India's share is released to the supplier through Central Nodal Agency.

- (viii) “India Handloom” Brand- During the celebration of 7th August 2015 as National Handloom Day, ‘India Handloom’ Brand was launched for branding of high-quality handloom products to promote production of niche handloom products with high quality with zero defect and zero effect on environment. Since the launch of “India Handloom” Brand, 1,998 registrations have been issued under 184 product categories.

Initiatives with various leading brands has been undertaken to bring out a separate range of handloom garments in their brand.

- (ix) Urban Haats are set up in the big towns/metropolitan cities to provide adequate direct marketing facilities to the craft persons/weavers and eliminate middle agencies. 37 such Urban Haats have been sanctioned across the country so far, of which 35 Urban Haats are functional and 2 are under process.
- (x) Producer Companies (PCs): Govt. of India is supporting in formation of PCs across the country in the handloom sector as a thrust area with the objective to extend the benefits of various handloom schemes to the weavers/workers, in particular to those who are either working independently or in the fold of Self-Help Groups/Producer Groups. Suitable handloom pockets have been identified and being facilitated for formation of Producer Companies for catering to the needs of the weavers and craftsmen there. So far, 151 PCs have been registered as on 30.06.2024.

Details of present status of the Handloom Schemes, as forwarded by the Ministry are as follows:

Scheme	BE 2024-25	₹ in crores)	
		Actual expenditure (as on 30.09.2024)	
National Handloom Development Programme	200.00		75.26
Raw Material Supply Scheme	172.17		88.43
Scheme for Protection of Handlooms and Implementation of Handloom (Reservation of Article for Production) Act, 1985	7.00		1.45

5.10 The Ministry further informed the Committee that Handloom Weavers Comprehensive Welfare Scheme has been merged with National Handloom Development Programme (NHDP) during 2021-22 and now implements as a

component i.e. Handloom Weavers' Welfare under NHDP. Yarn Supply Scheme has been renamed as 'Raw Material Supply Scheme' during 2021-22. The scheme is under implementation during 2021-22 to 2025-26.

5.11 The details of Budget allocation and utilization under NHDP during the last three years and BE provision for 2024-25 are as follows:

(₹ in Crore)

S. No.	Year	BE	RE	AE
1	2021-22	220	180	187.328
2	2022-23	200	156	152.51
3	2023-24	200	190	186.36
4	2024-25	200	-	75.26 (up to 30.09.2024)

5.12 When the Committee enquired about the reasons for shortfall in utilization of budgetary funds, the Ministry submitted as under:

“Non-receipt of viable proposals is the main reason for under-utilization of budgetary funds in 2022-23. Further, Handloom workers not coming forward for enrolment under PMJJBY/PMSBY and for Weavers MUDRA loan as the schemes are voluntary.”

5.13 The Committee further asked the Ministry about other hindrances that had been faced by the Ministry in achieving the physical target set for NHDP and also the initiatives taken to overcome such hindrances, it was submitted in their reply as under:

“Non-receipt of viable proposals is the main reason for not achieving the targets under NHDP. Further, Handloom workers not coming forward for enrolment under PMJJBY/PMSBY and for Weavers MUDRA loan as the schemes are voluntary.

To overcome such hindrances, following remedial action have been initiated by Ministry of Textiles:

(a) States/UTs Governments have been requested to submit the complete proposals in time. Meetings have been organized from time to time by the senior officers to review the status of proposals with field officers as well as State/UT Governments and instructions have been issued to expedite and submit the proposals in time. Awareness programmes for weavers are also organised.

(b) Awareness through more dissemination camps, Buyer seller meets, supply of yarn through postal department etc.”

5.14 The Committee then desired to know about the amount that had been released under concessional credit/weavers MUDRA Loan and Handloom weavers welfare during the last two fiscal years 2021-22, 2022-23, 2023-24 and current year 2024-25, the Ministry submitted as under:

“The details of amount released under Concessional Credit/Weaver MUDRA Scheme and Handloom Weavers Welfare during the years 2021-22, 2022-23, 2023-24 and current year 2024-25 are as under:-

Financial Year	Amount released (₹ in Crore)	
	Concessional Credit/Weaver MUDRA Scheme	Handloom Weavers Welfare
2021-22	15.00	2.78
2022-23	8.00	0.69
2023-24	15.00	2.02
2024-25 (upto 30.09.2024)	20.00	2.03

5.15 The Ministry forwarded the following statement elaborating year-wise and State-wise details of number of loans sanctioned and amount disbursed under concessional credit to weavers under Micro Units Development and Refinance Agency (MUDRA) scheme.

“It is mentioned that under Concessional Credit/Weaver MUDRA Scheme, Banks are lodging the claims through the Handloom Weaver MUDRA Portal developed by Punjab National Bank. Earlier this Portal had the feature for capturing the loan amount sanctioned. Feature for capturing the loan amount disbursed has also been incorporated in the said Portal by Punjab National Bank in August, 2023. Now, banks are filling the loan amount disbursed on the portal. Year-wise & State-wise details of loans sanctioned from 2021-22 to 2023-24 and loan amount sanctioned along-with disbursed for the current FY 2024-25 (up to 30.09.2024) is under:-

S. No.	Name of the State	2021-22		2022-23		2023-24		2024-25 (upto 30.09.2024)		
		No. of loan sanctioned	Loan amount sanctioned (₹ in lakh)	No. of loan sanctioned	Loan amount sanctioned (₹ in lakh)	No. of loan sanctioned	Loan amount sanctioned (₹ in lakh)	No. of loan sanctioned	Loan amount sanctioned (₹ in lakh)	Loan amount disbursed (₹ in lakh)
1	Arunachal Pradesh	10	6.00							
2	Andhra Pradesh	1858	1008.77	1318	907.40	1712	1566.80	765	880.36	833.35
3	Assam	38	18.68	29	15.60	29	11.20			
4	Bihar	11	5.50	75	46.75	35	35.90			
5	Goa			1	0.45					
6	Himachal Pradesh			1	1.00					
7	Jammu & Kashmir	287	280.64	947	983.90	627	794.59	146	216.48	32.16

8	Karnataka	40	13.80	65	54.23	105	52.50	138	74.43	74.43
9	Kerala	159	83.36	335	180.80	197	121.50	54	35.00	35.00
10	Madhya Pradesh	4	6.50	88	233.50			36	18.00	18.00
11	Manipur	9	4.50	21	10.50	62	31.00	42	21.00	21.00
12	Odisha	9	6.90	5	4.00	1	0.50			
13	Puducherry							1	1.00	1.00
14	Punjab			2	0.50					
15	Tamil Nadu	4924	2467.88	4051	2084.81	4575	2566.74	2476	1596.71	1692.71
16	Telangana	1073	814.44	752	508.84	472	584.71	160	152.41	152.41
17	Uttar Pradesh	34	21.46	81	77.81	86	102.62	33	49.20	49.20
18	West Bengal			18	8.50	12	4.75			
	Grand Total	8456	4738.43	7789	5118.59	7913	5872.81	3851	3044.59	2909.26

5.16 When enquired about the extra measures taken to support the handloom weavers during 2024-25, the Ministry informed the Committee as under:

“To support the handloom weavers, following extra measures have been taken by the Ministry during 2024-25:

(a) In addition to SCDPs, financial assistance has also been provided for individual interventions like upgraded looms/ accessories, work-sheds, lighting units etc. to 28 Other than assisted clusters under NHDP.

(b) A consolidated calendar has been prepared and uploaded on the website of this office so that timely organization of marketing events may be ensured, Weavers Service Centers of this office & National Level Implementing agencies also entrusted the organization of exclusive events during the current financial year targeting the sale of niche handloom products to the high-end clientele.

(c) Financial assistance of ₹ 8,000 per month has been provided to 150 handloom awardees.

(d) Scholarships of ₹2 lakh per annum has been provided to 80 weaver’s children.”

5.17 The Committee further enquired about the efforts made in making the products of weavers available on online market, the Ministry submitted as under:

“In order to promote/facilitate online sale and marketing of handloom products by weavers, following measures have been taken up by the Government:

(a) Aprox. 1.50 handloom entities on-boarded on GeM portal.

(b) Soft launch of the E-Commerce portal viz. indiahandmade.com on 22.04.2023 with approx. 1000 products and 556 sellers. As on 15.10.2024 the no. of products uploaded are 9,264 with 1,530 sellers”

(b) RAW MATERIAL SUPPLY SCHEME

The details of Budget allocation and utilization under Raw Material Supply Scheme in the last two years and BE of 2024-25 are as follows:

(₹ in crore)

Year	BE	RE	AE
2022-23	105.00	130.00	139.70
2023-24	160.00	160	159.72
2024-25	172.17	-	-

5.18 The Committee enquired the Ministry how the earmarked funds under the above mentioned Scheme would be fully-utilized in 2024-25, it was submitted in their reply as under:

“₹88.41 crore out of ₹172.17 crore has already been utilized till September 2024. So, ₹172.17 crore will be utilized by the end of current FY 2024-25.”

5.19 When enquired how the Ministry plan to utilize the enhanced budgetary allocation vis-à-vis previous year, to its optimum level in the current FY, the Committee were informed as under:

“The increased budget of BE 2024-25 of ₹172.17 crore would enhance the implementation of the scheme by achieving below objectives of the scheme:

(a) Supply of quality yarn to Handloom weavers at subsidized rates – Qty 360 Lakh Kgs of yarn

(b) Increased supply of subsidized yarn will facilitate the enhanced production of competitive handloom items by handloom weavers

(c) Increased outlay will facilitate handloom weavers engagement in the sector”.

5.20 Following statement was forwarded by the Ministry regarding number of beneficiaries under Raw Material Supply Scheme:

Details of State-wise number of beneficiaries under RMSS:-

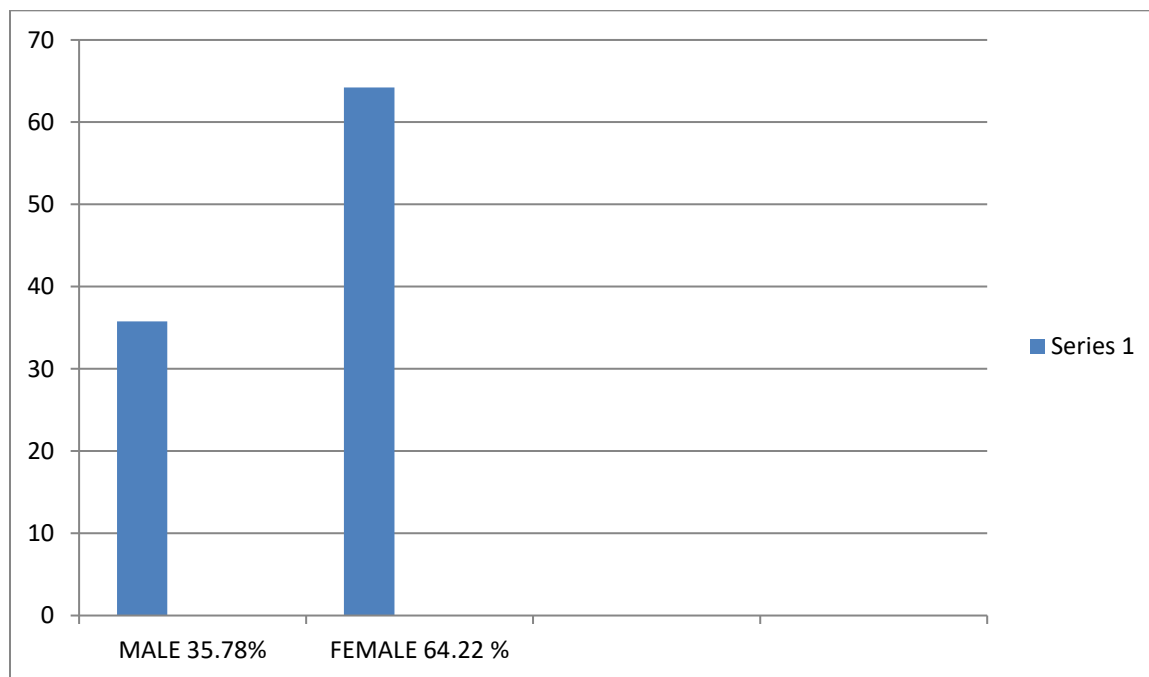
Sl No	State	No. of Beneficiaries
1	Andhra Pradesh	68593
2	Bihar	4100
3	Chhattisgarh	5389
4	Delhi	172
5	Gujarat	1504
6	Haryana	3077
7	Himachal Pradesh	1336
8	Jammu & Kashmir	625
9	Jharkhand	3704
10	Karnataka	18804
11	Kerala	11002
12	Madhya Pradesh	3133
13	Maharashtra	2115
14	Odhisa	30386
15	Pondicherry	1519
16	Punjab	407
17	Rajasthan	635
18	Tamilnadu	94339
19	Telangana	39763
20	Uttarakhand	4807
21	Uttar Pradesh	118119
22	West Bengal	54807
23	Arunachal Pradesh	243
24	Assam	40471
25	Manipur	20015
26	Meghalaya	366
27	Mizoram	1228
28	Nagaland	212
29	Sikkim	81
30	Tripura	610
	Grand Total	531562

6. HANDICRAFTS SECTOR

6.1 The handicrafts sector plays a significant role in the country's economy. It provides employment to a vast segment of craft persons in rural & semi urban areas and serves as a pivotal driver of substantial foreign exchange earnings for the country, while concurrently preserving our rich cultural heritage. Handicrafts have great potential, as they hold the key for sustaining not only the livelihoods of millions of artisans spread over the length and breadth of the country, but also for the burgeoning number of newcomers entering in the crafts activity.

6.2 Presently, handicrafts sector contribute substantially to employment generation and exports earnings. Despite its significant contribution to the economy, the sector faces myriad challenges stemming from its predominantly unorganized structure. Key constraints such as lack of education, inadequate capital resources, insufficient exposure to modern technologies, a dearth of market intelligence, and the absence of a robust institutional framework have hampered its growth potential. The demographic profile of artisans who have been issued artisan ID card is given below:

Artisans' population percentage who have been issued PEHCHAAN ID Cards



6.3 Details of plan outlays and expenditure during the last three years and BE for 2024-25 under Handicrafts Sector are as under:

(₹ in crore)

Year	BE	RE	AE
2021-22	371.00	297.00	302.09
2022-23	229.00	227.23	183.63
2023-24	284.52	177.38	180.51
2024-25	242.00	-	-

6.4 The Office of Development Commissioner [Handicrafts] oversees the implementation of two pivotal schemes for promotion and development of handicrafts sector namely “National Handicraft Development Programme” [NHDP] and “Comprehensive Handicrafts Cluster Development Scheme [CHCDS]” which has an integrated approach for development of handicraft clusters in a holistic manner.

1. National Handicrafts Development Programme.

Sub Schemes:

1. Marketing Support & Services.
2. Skill Development in Handicrafts Sector
3. Ambedkar Hastshilp Vikas Yojana
4. Direct Benefit to Artisans (Welfare)
5. Infrastructure and Technology Support
6. Research and Development.

2. Comprehensive Handicrafts Cluster Development Scheme.

According to the Ministry of Textiles, after rationalization of the old scheme of handicrafts sector in FY 2021-22, there are currently four schemes under this sector which are as follows:

- a. National Handicrafts Development Programme (NHDP),
- b. Comprehensive Handicraft Cluster Development scheme (CHCDS),
- c. Central Liabilities Indian Institute of Carpet Technology (IICT),
- d. Development commissioner for Handicrafts (Establishment scheme).

6.5 When the Committee desired to know why the Schemes of ‘National Handicrafts Development Programme’ and ‘Handicraft Mega Cluster Scheme’ have been provided with budgetary allocations under separate heads in 2023-24 after being merged into one single scheme, the Ministry stated in their reply as under:

“National Handicrafts Development Programme and Handicrafts Mega Cluster Scheme (Comprehensive Handicrafts Cluster Development Scheme i.e.

CHCDS) are two separate schemes of O/o DC (Handicrafts). CHCDS having an outlay of ₹ 160 crores were approved separately in the Standing Finance committee meeting under the chairmanship of Secretary (Textiles) in 2021 for continuation of the scheme from 2021-2022 to 2025-26.”

6.6 The Committee further enquired about the reasons for which the AE was more than the RE in 2021-22 and 2023-24 and how this enhanced expenditure was met with the Ministry submitted in their reply as under:

“The reduction of the BE in the last three FY i.e. 2021-22, 2022-23 and 2023-24 at RE stage attributed to the implementation of CNA Module, late receipt/ non- receipt of viable proposals and; settlement of previous interventions by the implementing agencies i.e. non-submission of reimbursement documents and account settlement.

The interventions under NHDP Schemes are sanctioned and implemented on need basis, therefore the physical targets as planned under the schemes may vary and can be below and above the planed target.

During the FY 2021-22 and 2023- 24 AE was more than the RE as the more need-based interventions were sanctioned to cover and provide benefit of the schemes to more artisans after RE allocation, however the same has been met through the further demand of supplementary grant.”

6.7 The Committee found that BE in 2023-24 was raised to Rs 284.52 crore. The AE was only ₹ 180.51 crore and again the demand for ₹ 242.00 crore has been put forth by the Ministry. The Committee asked the Ministry the reasons for it, in the reply to which the Ministry stated as under:

“During the FY 2022-23, the implementation of Central Nodal Agency (CNA) module for fund flow for Central Schemes (CS) and Central Sponsored Schemes (CSS) was under process. Transition to CNA Module and zero balance account (ZBSA) opening in the CNA authorized bank has taken time causing delay in release of grants to implementing agencies for implementation of programmes sanctioned under National Handicraft Development Programme (NHDP).

Due to the above reason the AE for FY 2022-23 was less compare to RE. However, after implementation of CNA Module, the demand for the next FY has been put as per the EFC of the NHDP and CHCDS Scheme.”

6.8 When the Committee asked about the allocation of supplementary funds under the Head in the current fiscal 2024-25, the Ministry submitted in their reply as under:

The details supplementary funds required under the Head in the current FY i.e. 2024-25 is as follows:

(₹ in crore)

S.No.	Schemes/Programmes	BE	RE	Supplementary Grant required
1.	National Handicraft Development Programme	206.00	207.00	11.19

	(NHDP)			
2.	Comprehensive Handicraft Cluster Development Scheme (CHCDS)	30.00	40.00	10.05
3.	Indian Institute Carpet Technology (IICT)- BHADOHI	6.00	8.00	2.00

a. National Handicraft Development Programme (NHDP)

6.9 The details of Budget allocation and utilization under NHDP and BE for 2024-25 are as follows:

(₹ in crore)			
Year	BE	RE	AE
2022-23	200	191.11	174.63
2023-24	238.33	155.49	158.90
2024-25	206.00	207 (Proposed)	55.37 (as on 24.10.2024)

6.10 When the Committee enquired the Ministry the reasons behind the shortfall in expenditure under the Scheme in 2023-24, it was submitted as under:

“The reasons for shortfall in utilization of funds are:

- a) Problems faced by implementing agencies in opening of Zero Balance Subsidiary Account as per Central Nodal Agency (CNA) module and integration of the CAN module with Public Financial Management System (PFMS).
- b) New accounting procedure of CNA has been got active in August 2022 only.
- c) Since the utilization upto September 2023 was not as per the Quarterly Expenditure Plan (QEP) hence the budget was reduced at the RE stage by the Ministry of Finance.”

6.11 The Committee desired to know the reasons for reducing the budgetary allocation at RE level in 2023-24, the Ministry submitted as under:

“₹238.33 has been allocated during the FY 2023-24 against the demand raised by the department. Further, at the RE level it was reduced to ₹ 155.49 due to the less utilization of the funds due to CNA Module, late receipt/ non- receipt of viable proposals and; settlement of previous interventions by the implementing agencies i.e. non-submission of reimbursement documents and account settlement during the starting quarters of FY 2023-24.”

6.12 The Committee further asked the reasons for enhancing the demands to ₹ 238.33 crore as BE in 2023-24, the Ministry stated in their reply as under:

“Since the funds were reduced at RE level during 2022-23 and due to the committed and pending liabilities of previous years the demand was raised during the FY 2023-24 to fulfill the requirement.”

6.13 The Committee further enquired about the reasons for surplus in expenditure in *vis a vis* RE in 2023-24. The Ministry stated in their reply as under:

“The expenditure was already incurred before allocation of RE under some of the object heads of the scheme however the funds were reduced at RE level. Some pending liabilities in different heads of the schemes are also cleared during the allocation of RE.”

6.14 The Ministry forwarded the following Statement projecting State-wise details of the beneficiaries under the Scheme in 2022-23 and 2023-24:

The State-wise details of the beneficiaries under the NHDP Scheme is as under:-

The State-wise details of the beneficiaries under the NHDP Scheme			
	State	2022-23	2023-24
1	A & N Islands	590	190
2	Andhra Pradesh	3926	1910
3	Arunachal Pradesh	620	380
4	Assam	4382	1620
5	Bihar	3563	2242
6	Chandigarh	300	100
7	Chhattisgarh	1090	460
8	Dadra & Nagar Haveli	0	0
9	Daman and Diu	50	0
10	Delhi	1790	2536
11	Goa	760	290
12	Gujarat	6222	4238
13	Haryana	1971	1174
14	Himachal Pradesh	1080	470
15	Jammu and Kashmir	7436	5084
16	Jharkhand	2410	1334
17	Karnataka	3814	2050
18	Kerala	2471	1024
19	Ladakh	690	614
20	Lakshadweep	0	0
21	Madhya Pradesh	5101	2684

22	Maharashtra	3990	3416
23	Manipur	2923	1324
24	Meghalaya	900	550
25	Mizoram	760	270
26	Nagaland	1060	410
27	Odisha	3200	2574
28	Puducherry	990	300
29	Punjab	2430	560
30	Rajasthan	7705	4280
31	Sikkim	930	270
32	Tamil Nadu	3000	2034
33	Telangana	2040	1604
34	Tripura	1030	430
35	Uttar Pradesh	26519	14564
36	Uttarakhand	2160	640
37	West Bengal	3740	2494
38	All India	0	2655
	International Marketing	585	-
	TOTAL	112228	66775

6.15 On being enquired about the allocation of funds for skill development in Handicraft Sector under NHDP, the Ministry submitted that “the amount allocated for skill development in Handicraft sector is 125.59crore for the FY 2021-22, 2022-23 & 2023-24”.

6.16 Physical and financial targets of all components under National Handicraft Development Programme and Handicraft Mega Cluster Scheme during last three years alongwith reasons for shortfall, as forwarded by the Ministry are as under:.

STATEMENT SHOWING THE PHYSICAL TARGETS AND ACHIEVEMENTS FOR THE YEAR 2021-22, 2022-23, 2023-24											
S. No	Name of the Scheme /Project Programme		2021-22			2022-23			2023-24		
			Target	Achievements	Short fall indicating reasons in brief	Target	Achievements	Short fall indicating reasons in brief	Target	Achievements	Short fall indicating reasons in brief
1	National Handicrafts Development Programme (NHDP)	Physical	149 Deomestic & International Marketing event	286 Deomestic & International Marketing event	Due to Covid pandemic , Non receipt of viable proposals and Pendencies of Ucs	165 Deomestic & International Marketing event	338 Deomestic & International Marketing event	Non receipt of viable proposals and Pendencies of Ucs	181 Deomestic & International Marketing event	208 Deomestic & International Marketing event	Non receipt of viable proposals and Pendencies of Ucs
			366 Skill & Design Development Training	584 Skill & Design Development Training		375 Skill & Design Development Training	315 Skill & Design Development Training		378 Skill & Design Development Training	452 Skill & Design Development Training	

			8000 toolkits distributions	13267 toolkits distributions		10000 toolkits distributions	9750 toolkits distributions		10000 toolkits distributions	9050 toolkits distributions	
			Identification of 60 Adopted & Export Oriented Clusters	Identification of 73 Adopted & Export Oriented Clusters		Identification of 60 Adopted & Export Oriented Clusters	0		Identification of 60 Adopted & Export Oriented Clusters	Identification of 22 Adopted & Export Oriented Clusters	
			Formation of 40 Producer Companies	Formation of 16 Producer Companies		Formation of 40 Producer Companies	Formation of 90 Producer Companies		Formation of 40 Producer Companies	Formation of 49 Producer Companies	
			08 Infrastructure projects	10 Infrastructure projects		07 Infrastructure projects	28 Infrastructure projects		08 Infrastructure projects	21 Infrastructure projects	
			Financial Support to 365 artisans under indigent circumstances	Financial Support to 365 artisans under indigent circumstances		Financial Support to 410 artisans under indigent circumstances	Financial Support to 339 artisans under indigent circumstances		Financial Support to 465 artisans under indigent circumstances	Financial Support to 538 artisans under indigent circumstances	
			Interest Subvention to 4000 artisans	Interest Subvention to 25 artisans		Interest Subvention to 4000 artisans	Interest Subvention to 130 artisans		Interest Subvention to 4000 artisans	Interest Subvention to 1144 artisans	
			Margin Money to 1500 artisans	Margin Money to 25 artisans		Margin Money to 1500 artisans	Margin Money to 212 artisans		Margin Money to 1500 artisans	Margin Money to 299 artisans	
			Issuance of 2.0 Lakhs artisans identity card	Issuance of 1.70 Lakhs artisans identity card		Issuance of 1.5 Lakhs artisans identity card	Issuance of 1.82 Lakhs artisans identity card		Issuance of 1.5 Lakhs artisans identity card	Issuance of 1.53 Lakhs artisans identity card	
			80 Awareness Programme	06 Craft Awareness Programme, 08 Workshops and 670 Chaupals conducted		125 Awareness Programme	14 Workshops and 670 Chaupals		125 Awareness Programme	670 Awareness Programme	
			17 Survey/ Studies	20 Survey/ Studies		20 Survey/ Studies	04 Survey/ Studies		22 Survey/ Studies	10 Survey/ Studies	
			55 Seminar/ Workshops	212 Seminar/ Workshops		55 Seminar/ Workshops	231 Seminar/ Workshops		60 Seminar/ Workshops	137 Seminar/ Workshops	
2	Comprehensive Handicrafts Cluster Development Scheme (CHCDS)	Physical	Setting up of 3 Mega Clusters	Setting up of 4 Mega Clusters		Setting up of 7 Mega Clusters	Setting up of 8 Mega Clusters		Setting up of 5 Mega Clusters/ IDPH	Setting up of 1 Mega Clusters	Non receipt of viable proposals

6.17 When enquired about the problems faced by the Ministry in the implementation of Scheme and measures taken to alleviate those problems, the Ministry informed the Committee as follows:

“Problems faced by the Ministry in the implementation of Scheme are as follows:

- The integration of CNA module with PFMS was live in August 2022 after that all funds would flow from the department to Implementing Agencies. As a result of which, the time given for implementation of such sanctioned programmes and schemes was very less.
- The Office of the Development Commissioner (Handicrafts) face problems of non-receipt of viable proposals and timely submission of Utilisation certificates by the implementing agencies.

Measures taken to alleviate the problems faced by the Ministry in the implementation of Schemes are as follows:

- Various Training programmes are being conducted to provide the implementing agencies for better and effective implementation of CNA, PFMS and all the schemes.
- Timeline is being set for sanctioning of new projects, and submission of UCs for release of subsequent installment to complete the project on time.
- IT is being utilised to avoid the delay for processing the proposals and proper monitoring of the schemes.
- Co-ordination with bank to speed up opening of ZBSA under CNA and resolution of issues pertaining to account mapping and indexing.”

6.18 The Committee noticed that under Handicraft Mega Cluster Scheme, BE of 20 crore was enhanced to RE of ₹ 30 crore in 2022-23. However, only 2.93 crore had been utilized. Again, in 2023-24, BE was raised to ₹ 40 crore *vis-à-vis* AE of ₹ 16.61 crore in 2023-24. On being asked about the reason for again increasing BE to Rs 30 crore in 2024-25, the Ministry stated in their reply as under:

“It is clarified that in the year 2023-24, the allotted BE was Rs 40.00 Cr for releasing funds towards 8 approved CHCDS projects i.e. Madhya Pradesh, Andhra Pradesh, Telangana, Tripura, Himachal Pradesh, Bihar, Odisha, Ladakh. However, due to slow implementation of projects of Andhra Pradesh, Telangana, Tripura, Himachal Pradesh, Bihar, Odisha, Ladakh, the targeted utilization was not achieved. It may be further noted that foreseeing the pace of expenditure, we have requested for reduced RE 2023-24 amounting to ₹ 16.88 crore and accordingly the RE 2023-24 was received of ₹ 16.88 crore.

d) Now, the total no, of approved CHCDS projects increased from 8 projects in 2023-24 to 12 projects in 2024-25. Estimating this, the enhanced demand of ₹ 30.00crore in BE 2024-25 was made. It is for further information that as on date i.e. 15.10.2024, entire amount as allotted in BE 2024-25 has been released to implementing agencies for utilization.”

6.19 The Committee then asked about the reasons for such a remarkable shortfall in the utilization of allocated budgetary funds in 2022-23 and 2023-24, the Ministry submitted as under:

“The reasons for shortfall in utilization of funds in 2022-23 are:

- (a) Under-utilization of funds by Implementing agencies of existing projects.

(b) Delay in submission of necessary documents by implementing agencies of fresh CHCDS projects.

(c) Problems faced by implementing agencies in opening of Zero Balance Subsidiary Account as per Central Nodal Agency (CNA) module.

(d) Lack of clarity regarding release of funds through CAN module.

The reasons for shortfall in utilization of funds in 2023-24 are:

(a) Slow pace of implementation by implementing agencies due to their administrative reasons and regional issue like flood, election code of conduct, non-availability of appropriate venue, non-timely availability of trainers/designers and artisans etc.

(b) Under-utilization of funds by Implementing agencies of existing projects due to failure of payments at PFMS level, at Bank level due to technical reasons.

(c) Difficulties in making payments through PFMS as the volume of payments is large.

(d) Failure of PFMS at the end of Financial Year i.e. Feb-March”

6.20 The Committee further enquired about the plan of action to utilize the funds in full in 2024-25, the Ministry informed as under:

“Under the NHDP scheme the allocated BE is ₹ 206.00 crores against that ₹ 101 crores have already been concurred by the Integrated Finance Wing (IFW) out of which real time expenditure as 24.10.2024 is ₹ 55.37 crores, and bills to be cleared by PAO under Treasury Single Account (TSA/1-H). So, far the less utilization is concerned during this financial year due to the implementation of the TSA system. Now, as the NHDP scheme has fully onboarded on the TSA system, the department would be able to utilize the fund allocated for the FY 2024-25.

Under the CHCDS scheme, the BE is ₹ 30.00 crores, against which the expenditure as per e-Lekha ₹ 25.59 crores (95% of BE) have been utilized. Hence the additional demand ₹ 10.00 crores raised is fully justifiable for which adequate justification has been given in with the demand.

Apart from this under the scheme viz. Indian Institute of Carpet Technology (IICT), fund was not allocated at BE stage under the object head GIA capital assets, IICT have to pay ₹ 1.20 crores towards the payment of third installment to the vendors for lab upgradation which is a committed liability. Only fund was provided for GIA salaries i.e. ₹ 6.00 crores against that expenditure of ₹ 3.00 crores already incurred. The department has demanded the funds during the past FY also, but fund was not allocated at RE stage. Since, the financial burden has been increased due to implementation of 7th Pay Commission, due to this IICT is unable to pay the full salaries to its employees as per 7th CPC, therefore Rs 2.00 crores under the object head GIA salaries has required.”

VII. SILK SECTOR

7.1 Silk is an insect fibre, with lustre, drape and strength. Because of these unique features, silk is known as the “Queen of Textiles”, the world over. India has been the land of ancient civilisation and has contributed many things to the world, silk being one of them. India is the second largest producer of silk in the world and also the largest consumer. Nevertheless, India is the only country, which is producing all the four commercial varieties of silk, namely Mulberry, Tropical & Oak Tasar, Muga and Eri. Indian sericulture industry has the unique distinction of high employment potential, low capital requirement and provides remunerative income to silk growers

7.2 India with the production of 38,913 MTs of silk is the second largest producer of silk in the world after China. Among the four varieties of silk produced, Mulberry accounted for 76.82% (29,892 MT), Tasar 4.08% (1,586 MT), Eri 18.46% (7,183 MT) and Muga 0.65% (252 MT). The bivoltine raw silk production has increased by 8.66% to 9,675 MT during 2023-24 from 8,904 MT during 2022-23. Further, vanya silk, which includes Tasar, Eri and Muga silks, have increased by 1.04% during 2023-24 over 2022-23.

7.3 According to the Ministry of Textiles, the Central Silk Board (CSB) is a Statutory Body, established in 1948 by an Act of Parliament (Act No.LXI of 1948). It functions under the administrative control of the Ministry of Textiles, Government of India with its head quarter located at Bengaluru.

7.4 The mandated activities of CSB are Research and Development, maintenance of four tier silkworm seed production network, standardizing and instilling quality parameters in the various production processes and advising the Government on all matters concerning sericulture and silk industry. These mandated activities of Central Silk Board are being carried out by 159 units of CSB located in different States through a comprehensive Central Sector Scheme viz., “Silk Samagra-2” for the development of silk industry. The Union Cabinet has approved the “Silk Samagra-2” (which is the improved version of previous scheme Silk Samagra) at a total outlay of ₹4679.86 crore for implementation during 2021-22 to 2025-26. The Silk Samagra-2 scheme comprises of two major activities as under:

Core activities of Central Silk Board

(a) Research & Development, Training, Transfer of Technology and IT initiatives.

(b) Seed Organization.

(c) Coordination and Market Development.

Quality Certification Systems, Export, Brand Promotion & Technology up-gradation.

7.5 The financial allocation and actual utilisation in Silk Sector for the last three years and the BE for 2024-25 are as follows:

(₹ In crore)

Year	B.E	R.E	A.E
2021-22	876.00	876.00	854.08
2022-23	875.00	875.00	874.99
2023-24	917.77	875.00	875.00
2024-25	900.00	-	-

7.6 The Committee desired to know about the specific measures are taken/proposed to ensure optimal utilisation of the earmarked funds under BE during 2024-25. The Ministry submitted as under:

“The rest of the earmarked funds under approved BE 2024-25 will be fully utilized by implementing core R & D activities of CSB as planned to achieve the targets set for the year 2024-25. Besides, sufficient proposals of States have been approved /sanctioned for the year 2024-25 towards implementation of beneficiary-oriented components, so as to optimally utilize the allocated funds.”

7.7 The Committee further enquired about the major developments and achievements made under Sericulture (Integrated Scheme for Development of Silk Industry (ISDSI)) during 2023-24. The Ministry submitted as under:

(a) During the Financial Year 2023-24, funds of ₹261.85 crores have been released to states for the implementation of beneficiary-oriented components under Silk Samagra-2 scheme covering 14024 beneficiaries (General: 10587, SC: 1818 & ST: 1799) of silk value chain.

(b) During the year 2023-24 a total of 13908 persons were trained on various sericulture activities under the above programmes

(c) Patent granted for 7 innovative technologies and commercialized 13 technologies /products

(d) Developed new cross breeds of Nistari lines i.e. IN(P) x SK.6.7 and IN(M) x SK 6.7 with high productivity and superior silk filament.

(e) Developed two Bivoltine Double Hybrids viz. BK17×BK9 & BK20×BK7 with yield potential of 60-74kg/100 dfls and renditta of 6.8 to 7.5 for North Western India.

(f) Three research projects are undergoing in collaboration with international institutes such as NARO-Japan, Tokyo University of Agri. & Technology-Japan, Yamaguchi University-Japan, Uzbek Research Institute-Uzbekistan for development of productive bivoltine hybrids. Apart from this, CSB has

collaboration with 16 reputed national institutes/organizations for overall development of silk industry.

(g) To facilitate online applications for the Seed Act Registration Certificate, the Central Silk Board's National Silkworm Seed Organization (CSB-NSSO) developed a web-based application and a mobile-based inspection application called e-Cocoon. This digital solution streamlines the registration process, allowing for efficient submission, tracking, and management of applications, while also enabling real-time inspections to ensure compliance with the Seed Act.

(h) With a view to stabilize the seed cocoon generation in West Bengal, 200 Adopted Seed Rearers were trained in modern sericultural technologies which led to the production of approximately 80.07 lakh bivoltine seed cocoons, 94.43 lakh multivoltine (Nistari) seed cocoons, and 16.47 lakh M12W seed cocoons in Agrahayani, Falguni and Baisakhi crops.

(i) Inspired by the success of Chawki Rearing Centres (CRCs) in South India, two CRCs were established in Khargram and Nabagram blocks of Murshidabad district (NABARD funded) in West Bengal with technical support from the Institute. This initiative resulted in a 10.5% increase in cocoon yield.

(j) A total of 12 MoUs were signed with various reputed organizations during Bharth Tex for sharing of resources and knowledge for different research purposes.

(k) During the year 2023-24, a total of 705 ECPs were organized under sericulture sector and various technologies developed by the CSB R&D institutes were transferred effectively among 41,983 stakeholders, covering pre & post cocoon sector. A total of 1,00,719 lots of cocoons, raw silk, fabrics, dyes, water etc were tested for physical, chemical and eco-parameters.

(l) Started manufacturing of indigenous Automatic Reeling Machine units, installed 5 indigenous ARMs and 19 more are under pipeline (of which 5 units will be installed during the current year 2024-25)."

7.8 According to the Ministry of Textiles, the status of exports and imports of Silk products during the last 3 years is as under:

The status of exports and imports of silk products during last 3 years are given below table:

VARIETY-WISE EXPORTS OF SILK AND SILK-GOODS							
Sl.	Item	2021-22		2022-23		2023-24	
		CreoreRs	Mn.US\$	CreoreRs	Mn.US\$	CreoreRs	Mn.US\$
1	Raw Silk	18.21	2.46	1.79	0.22	15.45	1.86
2	Natural Silk Yarn	34.41	4.61	36.95	4.60	34.69	4.09
3	Fabrics, Made-ups	837.41	112.41	973.49	121.00	1119.13	134.80
4	Readymade Garments	671.13	90.43	489.61	60.92	443.79	53.50
5	Silk Carpets	79.12	10.63	92.34	11.55	96.84	11.68
6	Silk waste	208.67	28.02	179.19	22.29	317.66	38.34

Total		1848.96	248.56	1773.38	220.58	2027.56	244.27
VARIETY-WISE IMPORTS OF SILK AND SILK GOODS LAST 3 YEARS							
Sl.	Item	2021-22		2022-23		2023-24	
		CroreRs	Mn.US\$	CroreRs	Mn.US\$	CroreRs	Mn.US\$
1	Raw Silk	819.68	109.75	1713.68	214.26	1254.96	151.65
2	Natural Silk Yarn	88.79	11.90	204.75	25.41	171.78	20.73
3	Fabrics, Made-ups	215.18	28.84	334.71	41.31	434.1	52.44
4	Readymade Garments	13.63	1.80	22.42	2.75	18.8	2.39
5	Silk Carpets	0.34	0.05	0.25	0.03	0.63	0.07
6	Silk waste	5.96	0.80	8.79	1.09	14.17	1.71
	Total	1143.59	153.14	2284.59	284.85	1894.44	228.99

7.9 When the Committee enquired about the steps taken to develop the silk sector and improve the socio-economic condition of the persons involved in this sector, the Ministry stated as under:

“The following measures have been taken to develop silk sector and improve the socio-economic condition of the sericulture stakeholders

(a) The main focus of the silk samagra-2 scheme for the development of small & marginal farmers including women & tribal/SCs.

(b) The Silk samagra-2 Scheme supports to improve the living standard of poor, marginalized and underprivileged group of the society, mostly the small and marginal farmers by increasing their income level and providing better livelihood option through sericulture. The scheme sub-components through bundle of packages with better flexibility and composite support to the farmers and other stakeholders would help them to increase the production and productivity and thereby increasing their income. Under the scheme, financial support is provided to beneficiaries through implementation of beneficiary-oriented components. The beneficiary-oriented interventions cover the major areas under pre and post-cocoon sectors viz., development and expansion of host plantation, support for silkworm rearing, strengthening and creation of silkworm seed production infrastructure, development of farm and post-cocoon capacities, up-gradation of reeling and processing technologies in silk, and capacity building through skill development and skill upgradation, aimed at promoting self-employment opportunities and improving the socio-economic conditions of beneficiaries.

(c) The Scheme will also support the sericulture farmers through continued R&D for higher productivity, better quality of the produce, uninterrupted supply of quality silkworm seed, better and higher return of the produce.

(d) Special focus has been given under the scheme for skilling and capacity building of the stakeholders covering all activities of the silk value-chain pertaining to all the four silk sub-sectors to improve the production and productivity resulting increase in their income.”

7.10 On being enquired about the corrective steps taken/proposed for optimal achievement of physical targets under Sericulture during 2022-23 and 2023-24, the Ministry informed the Committee as under:

“The following are the major interventions taken under Silk Samagra-2 to enhance the performance of achievements of physical targets during 2022-23 & 2023-24:

- (a) Support to beneficiaries has been rationalized as bundle of packages from earlier individual / isolated components to provide full package of technology for desired outcome to help small and marginal farmer
- (b) Horizontal expansion of sericulture in non-traditional areas in traditional states and non-traditional States
- (c) The CSB is facilitating States in mobilizing additional funds through convergence from various schemes of other Ministries of Govt. of India like RKVY & SMAF (Sub Mission on Agro-Forestry) of MoA&FW, MKSP (Mahila Kisan Sashakthikaran Pariyojana) under NRLM (National Rural Livelihood Mission) and MGNREGA of MoRD, TRIFED (MoTA), MSME, NABARD etc. for better synergy.
- (d) Provision made to support to Seri business Enterprise /Entrepreneurs and FPOs to encourage entrepreneurship in sericulture activities
- (e) With a focus to tap the potential of Eri Silk outside NE, a Eri sericulture promotional project was launched on August 10, 2024, at Sardarkrushinagar, Palanpur (Gujarat), aiming to encourage castor-growing farmers in Gujarat's Banaskantha, Mehsana, Patan, and Sabarkantha districts.
- (f) Provision made for strengthening of market infrastructure- Supported Karnataka, Mizoram and Nagaland States for strengthening of Marketing infrastructure.
- (g) Special focus has been given for development of sericulture in North East. A total of 33 new sericulture projects approved /sanctioned under Silk Samagra-2 scheme for implementation in NE States/Council and a total central share of ₹235.85 crore has been released during 2021-22 to 2024-25 -till date.
- (h) Special focus given on value addition to produce high value products, non-textile application of silk, technical textiles and by-product utilization.
- (i) Providing Incubation facility to R&D Institutes with linkages to start ups for commercialization and field application of technologies.
- (j) Promotion of private participation in Bivolitne silkworm-seed production and its distribution.
- (k) To assess the impact of Silk Samagra -2 scheme in the field and to suggest mid-course corrections/modification in the scheme implementation, a Mid-term evaluation study is being conducted through a third party.”

7.11 When the Ministry asked about the measures taken/proposed by Central Silk Board (CSB) to attract more youth towards Sericulture and measures taken to leverage it, the Committee were informed as under:

“Under Silk Samagra-2 scheme, following measures have been taken to attract more youth towards sericulture;

(a) Need based training programmes are organized with focus on skill seeding and skill up-gradation in silk sector so as to create employment opportunities (mostly self-employment) for the new entrants and also to increase in income level of the existing entrepreneurs by adapting improved package of practices. New initiatives are also being taken to undertake training programme in silk industry under SAMARTH.

(b) For self-employment to youth in pre-cocoon sector (mulberry, tasar, eri&muga), support is provided under beneficiary-oriented components in the form of bundle of packages starting from plantation to cocoon harvesting and marketing.

(c) Under self-empowerment, support is also provided to set up CRCs, Private Seed production, Automatic Reeling Machines(ARMs), Multi-end Reeling units, Twisting machines, Improved Vanya reeling/spinning machines and post yarn related machineries.

(d) SHGs /Farmers Producers Organization/SPVs are promoted to encourage youth as industry partner in profit sharing.

(e) Provision made to provide Incubation facility to CSB R&D Institutes with linkages to start ups for commercialization and field application of technologies.”

7.12 On being asked the current competitiveness of the Sericulture Industry in India vis a vis its counterparts across the World, the Ministry stated as under:

“India is the second largest raw silk producer in the world next only to China and contributes about 42% (38,913 MT in 2023-24) to the global raw silk production (93,986 MT in 2023). Further, China and India put together contributes to about 95% of the global silk production. The silk production is not picking up significantly in other countries. As India has well-built institutions for R&D, extension, education, training and input support, and domestically developed high-end technologies, there is a huge opportunity for India to increase the domestic silk production.”

7.13 On a pointed query regarding percentage of exports of silk products and its total production, the Ministry informed the Committee as under:

“The exports accounts for about 8.5% of the total silk production in India.

(a) North-Eastern Textile Promotion

The Committee were informed that there is lumpsum provision of allocation of funds for the North-Eastern Region by the Ministry of Textiles. The details of the funds allocation and utilisation under Grants towards Development of Silk Industries in North-Eastern Regions are as under:

(₹ In crore)

Year	B.E	R.E	A.E
2021-22	75.00	49.94	13.60
2022-23	0.00	3.90	2.53
2023-24	0.00	1.37	1.36
2024-25	0.00	-	-

7.14 The Committee enquired that as the Scheme for promoting usage of geotechnical textiles in NER has been closed on 31st March, 2024, what measures are being adopted by the Ministry for promotion of Textile industries mainly silk in the NER, the Ministry stated in their reply as under:

“In far as Silk sector is concerned, an exclusive central sector scheme “Silk Samagra-2 approved by the union cabinet is under implementation for the overall development of silk industry in the country including NE States during the period 2021-22 to 2025-26. Under the scheme special focus has been given for development of sericulture in North East. A total of 33 new sericulture projects have been approved /sanctioned under Silk Samagra-2 scheme for implementation in NE States/Council and a total central share of ₹235.85 crore has been released during 2021-22 to 2024-25 -till date.”

7.15 Elaborating the indicators of the physical achievements in promotion of silk industries in NER during the last three years, the Ministry submitted as under:

“In addition to the 38 projects implemented for sericulture development in NE under NERTPS of MoT from 2014-15 to 2021-22, 33 new sericulture projects have been approved /sanctioned under Silk Samagra-2 scheme for implementation in NE States/Council. These projects, with the facilities and infrastructure created at beneficiary level in all NE States have contributed in production of 7,936 MT, 7,953 MT and 7,670 MT of silk during the last three years 2021-22, 2022-23 & 2023-24 respectively. The Manipur State could produce only 83 MT of silk in 2023-24 against the annual target of 711 MT due to social unrest in the silk producing regions in the state. Hence there is a decline in raw silk production in NE Region during 2023-24.

For the year 2024-25, a target of 9111 MT silk is set for NE, which will be produced through supplementing and catalyzing various projects implemented.”

VIII. TEXTILES SECTOR

8.1 The details of funds allocated and utilised during the last three years and the BE for 2024-25 under Textile Sector are as follows:

(₹ In crore)

Year	B.E	R.E	A.E
------	-----	-----	-----

2021-22	204.00	126.50	121.26
2022-23	110.00	94.49	90.54
2023-24	316.55	134.85	67.79
2024-25	381.77		

8.2 The Committee observed a continuous trend of underutilization of allocated budgetary funds under various schemes/programs of Textiles Sector since 2020-21 up to 2023-24 and desired to know the reasons for it. The Ministry submitted as under:

“The sunset period for SITP, IPDS, and Powertex was March 2020, with an extension granted until March 2021. Due to the COVID-19 pandemic, SPVs were unable to submit requests for fund release. However, some proposals were received. According to procedure, funds could be released only after receiving a physical inspection report from the Office of TxC. Since the officers from the Office of TxC were unable to visit the park during that time, only a limited number of proposals could be considered for fund release.

In 2021-22, the Ministry was in the process of obtaining approval from the Ministry of Finance to continue these schemes. Since the scheme period had expired, very few proposals could be processed within the designated timeframe, which ended in September 2022. Further approval from the Ministry of Finance to continue the scheme was obtained in October 2022. Meanwhile, a separate system for the fund flow of CSS/CS-sponsored schemes was introduced by the Ministry of Finance. As this was a new concept, both SPVs and the Ministry faced several issues regarding the release of funds to the SPVs.

However, in 2023-24, a major portion of the allocation was designated for PM MITRA. Since the scheme was in its initial phase and, according to the guidelines, funds could only be released after the incorporation of the SPV and the appointment of a Master Developer, these steps could not be completed in time, resulting in unutilized funds.”

8.3 When the Committee further enquired the Ministry about their plan of action to achieve the target of 100 per cent utilization of allocated budget for all the schemes under Textiles Sector up to 31st March, 2025, it was submitted in their reply as under:

“In FY 2024-25, a significant portion of funds was allocated to PM MITRA, and all states are in the process of appointing a Master Developer, which is a prerequisite for the release of funds. It is expected that the PM MITRA states will be able to appoint the Master Developer very soon, allowing the Ministry to utilize the entire allocation under PM MITRA. Meanwhile, for other schemes such as IPDS and TCDS, the Ministry has sufficient proposals to utilize the budget allocation.”

8.4 The Committee then asked about the reasons for enhancing the BE (2024-25) to ₹ 318.77 crore from ₹ 316 crore (2023-24) despite very low utilization to the tune of ₹ 67.79 crore in the last FY, i.e., 2023-24, the Ministry stated as under:

“Under PM MITRA, ₹300 crore has been allocated, which is the main reason for the increase in the Budget Estimate (BE) for 2024-25. However, the budget for other schemes, such as IPDS and TCDS, has been reduced.”

a. PM MEGA INTEGRATED TEXTILE REGION & APPAREL (PM-MITRA) PARKS

8.5 PM MITRA Parks is envisaged to help India in achieving the United Nations Sustainable Development Goal 9 (“Build resilient infrastructure, promote sustainable industrialization and foster innovation”). The scheme is to develop integrated large scale and modern industrial infrastructure facility for entire value-chain of the textile industry. It will reduce logistics costs and improve competitiveness of Indian Textiles. The scheme will help India in attracting investments, boosting employment generation and position itself strongly in the global textile market. These parks are envisaged to be located at sites which have inherent strength for Textile Industry to flourish and have necessary linkages to succeed.

8.6 The Government has approved setting up of 7 (Seven) PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks in Greenfield/Brownfield sites in partnership with the willing State Governments with an outlay of Rs 4445 crores. The Scheme would lead to creation of a modern, integrated large scale, world class industrial infrastructure including plug and play facilities. The Ministry also forwarded the information that there are no more proposals under consideration other than 18 proposals already processed by the Ministry. Accordingly, out of 18 proposals received from 13 states, 7 sites have been finalized for development of PM MITRA Park.

8.7 The Government in the Ministry of Textiles has announced the setting up of 7 (Seven) PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks under Greenfield/Brownfield categories under the PM MITRA scheme. Using a transparent challenge method, 7 sites viz. Virudhnagar (Tamil Nadu), Warangal (Telangana), Navsari (Gujarat), Kalaburagi (Karnataka), Dhar (Madhya Pradesh), Lucknow (Uttar Pradesh) and Amravati (Maharashtra) have been selected for setting up PM MITRA Parks.

8.8 The details of funds allocated and utilised in 2021-22 to 2023-24 and BE for 2024-25 under PM Mega Integrated Textile Region & Apparel (PM MITRA) Parks are as follows:

(₹ in Crore)

Year	B.E	R.E	A.E
2021-22	00	0.50	00
2022-23	15.00	3.50	00
2023-24	200.00	52.30	0.13
2024-25	300.00	-	-

8.9 When the Committee asked about the problems faced by the Ministry while receiving proposals and taking actions on it for PM-MITRA Parks, the Ministry submitted as under:

“Ministry has requested all the State Government to submit their proposal(s) under PM MITRA. 18 proposals from 13 State Government were received. As regards hurdles in taking action, only 7 projects are to be approved, however 18 proposals have been received. Each State have its separate textile policy and having also separate rate of wages, water, power, subsidy etc. It is very difficult to normalize these parameters to take rational decision. However, the Government has finalised 7 sites viz. Tamil Nadu (Virudhnagar), Telangana (Warangal), Gujarat (Navsari), Karnataka (Kalaburagi), Madhya Pradesh (Dhar), Uttar Pradesh (Lucknow) and Maharashtra (Amravati) for setting up PM MITRA Parks.”

8.10 The Committee further enquired about the reasons for drastically enhancing the BE to ₹ 300.00 crore in 2024-25 from BE of ₹ 200 crore in 2023-24, the Ministry stated in their reply as under:

“Since seven sites have been finalized and SPVs have been constituted in all seven states, the process of selecting a Master Developer for all greenfield sites is underway. Once the Master Developer is appointed, ₹50 crore will need to be released for each PM MITRA park. Additionally, the Ministry is in the process of appointing a Project Management Agency (PMA), for which the Ministry will also need to release the professional fees. Accordingly, ₹300 crore has been requested.”

8.11 According to a submission by the Ministry, The PM MITRA parks will be completed by 2027-28.

8.12 The Committee then desired to know the actual expenditure under the PM MITRA Scheme in the current fiscal till 19.11.2024. The Ministry stated in their reply as under:

“Actual Expenditure under PM MITRA Scheme is ₹ 24.51 crore (Paid Up Capital of ₹ 4.90 crore has been released to each of the 5 (five) Greenfield parks & Expenditure of ₹ 0.01 crore incurred for Office Expenses.).

The further expenditure will be done upon meeting the pre-defined criteria by State Government as per the Scheme Guidelines.”

8.13 On a pointed query on the anticipated requirement at the Supplementary Grants stage, the Ministry submitted in their reply as under:

“The BE 2024-25 of the Ministry is ₹ 4417.03 crore. In RE, the Ministry has proposed an amount of ₹ 6449.68 crore. Major additionalities have been proposed under Cotton Corporation of India, Central Silk Board, Development of Jute Textiles, Integrated skill Development (SAMARTH), NIFT and Support to PSU. Depending on the extent of augmentation of funds agreed by the Ministry of Finance (MoF) in the RE, the Ministry will get the supplementary grants. If the BE is reduced by the MoF at the RE stage, amount to that extent needs to be surrendered.”

8.14 The Secretary of the Ministry deposed before the Committee during the course of evidence regarding the job opportunities created through PM-MITRA parks as under:

“..As we have already submitted, each park is expected to generate an investment of about ₹ 10,000 crore and create direct jobs of 1 lakh per park and indirect jobs as well. So, these are the growth centres that we are wanting to create -- large-scale and modern infrastructure with plug and play facilities, etc.”

IX. Jute Sector

9.1 The Jute industry is one of the major industries in the eastern region, particularly in West Bengal. It is estimated that the jute industry provides direct employment to 4.00 lakh workers in organized mills and in diversified units including tertiary sector and allied activities and supports the livelihood of 40 lakh farm families. In addition to this there are a large number of persons engaged in the trade of jute.

9.2 As on 31.03.2024, there are 111 composite jute mills out of which the state of West Bengal has 82 jute mills, Andhra Pradesh has 14 mills, Uttar Pradesh 3 mills, Bihar 4 mills, Orissa 3 mills, Assam 2 mills, Chhattisgarh 2 mills and Tripura 1 Jute Mill. Ownership-wise 6 mills are under the Government of India, 1 mill each is owned by the Government of Tripura and Orissa respectively , 1 mills in Assam is in the cooperative sector and the rest 102 are privately owned.

9.3 Government of India provides support to the jute growers not only through MSP operations by the Jute Corporation of India but also through direct purchase of jute sacking valued at around ₹12,000 crore annually for packing food grains by invoking provisions under the Jute Packaging Material

(Compulsory Use in Packing Commodities) Act, 1987. This is a major support not only to the jute farmers but also to jute mill workers

9.4 An e-platform “JUTE-SMART” (Jute Sacking Supply Management and Requisition Tool) has been implemented for procurement of jute sacking from 1st November, 2016. At present, Jute-SMART software has become operational and indents of around 225.32 lakh bales worth ₹ 67.80 thousand crores (approx.) have already been placed through JUTE-SMART up to the month 31st March, 2024 by SPAs from Punjab, Haryana, Odisha, AP, Telangana, MP, West Bengal, Bihar, etc. and PCSOs have been placed for these bales to the jute mills located in 6 states of state governments from a number of jute mills involving various intermediaries.

9.5 Jute-ICARE has been launched for improving fibre quality and productivity and reducing the cost of jute production and increasing income of jute farmers by at least 50% through promotion of certified seeds, better agronomic practices and use of microbial re-using of the jute plant. The programme has shown enormous promise so far.

9.6 The schemes for promotion of jute sector are primarily implemented by the National Jute Board, a Statutory Body and established under National Jute Board Act, 2008 for development and promotion of Jute Sector.

9.7 The National Jute Board (NJB), constituted under National Jute Board Act, 2008(12 of 2009) has been established for development of cultivation, manufacture and marketing of jute and jute products and for matters connected therewith and incidental thereto. The National Jute Development Program (NJDP) - an Umbrella Scheme, for development and promotion of Jute Sector has been approved for implementation by National Jute Board (NJB). Given here under the Schemes / Sub-Schemes with objectives for implementation during 2021 - 2022 to 2025-2026 (15th Finance Commission Period) :

The schemes and activities implemented during 2021-22, 2022-23 and 2023-24 are as follows:

- (a) Jute-ICARE (Improved Cultivation and Advanced Retting Exercise).
- (b) Jute Diversification Schemes (JDS):
 - (i) Jute Resource Cum Production Centre (JRCPC)
 - (ii) Jute Raw Material Bank (JRMB)
 - (iii) Jute Retail Outlets (JRO)
 - (iv) Jute Design Resource Centre (JDRC)
 - (v) Product Diversification (PD)
 - (vi) Production Linked Incentive (PLI)
 - (vii) Capital Subsidy for Acquisition of Plant & Machinery (CSAPM) for manufacturing of Jute Diversified Products.

- (c) Market Development & Promotion Scheme (MDPS).
- (d) Scholarship Scheme for Girl Children of Workers of Jute Mills/MSME JDP unit.

Grant of Subsidy to the Jute Corporation of India Limited (JCI) to maintain its infrastructure for MSP (Minimum Support Price) Operations of Raw Jute.

The Jute Corporation of India Limited (JCI) was incorporated by the Govt. of India in 1971 as a price support agency with a clear mandate for the procurement of raw jute/mesta from growers at the Minimum Support Price (MSP) declared in each year by the Govt. of India based on the recommendations made by Commission for Agricultural Costs & Prices (CACP). This protects the jute growers from exploitation in the hands of the middle men and from losing the minimum rate of return. The basic objective of JCI is not profit making but a social cause to protect the interest of about 4.00 million families engaged in farming of jute, most of whom are small/marginal farmer. Therefore, the presence of JCI in the market provides stability in the raw jute prices.

JCI acts as the Price Support Agency of the Govt. of India and to undertake Minimum Support Price (MSP) Operation to provide remunerative price of raw jute to the jute growers without any quantitative limit on procurement.

9.8 The details of the fund allocation and utilisation under Jute Sector for the last three years and the BE for 2024-25 are as under:

(₹ In crore)

Year	B.E	R.E	A.E
2021-22	153.01	112.01	86.94
2022-23	115.00	62.20	57.91
2023-24	142.00	103.00	101.10
2024-25	80.00		

9.9 Scrutiny of the details reveal that BE projections have been continuously reduced at RE stage under Jute Sector and the funds actually utilized are even less than the RE. The Committee enquired the reasons for this low utilization from the Ministry. They informed as under:

“During the Financial Year 2021-22, JCI had surrendered an amount of ₹0.71 crores towards SC Components from its allocated RE. Therefore, in that year JCI had utilized 98.58% of its allocated RE. The main reason of underutilization of BE & RE in F.Y.2022-23 was a delay in recruitment process owing to dispute with the vendor. Further, during the F.Y. 2023-24 JCI has utilized the entire allocated R.E and it is also expected that in the F.Y. 2024-25, JCI will be able to utilize entire amount allocated in RE. Recruitment of Executives and Non-executives were planned for the year 2021-2026 in line with the approved manpower plan of the Corporation. However, the recruitment could not be completed in time due to reasons beyond the control of the Corporation. This resulted in a substantial shortfall in the expected year-wise expenditure and underutilization of the allocated budget. A total of 179 (148 non-executives and

31 Executives) posts were supposed to be filled for the duration between 2021 to 2024, out of which as on date only 72 posts could be filled till date. Recruitment through CBT could be executed for the year 2024-25 only. There was a dispute regarding terms and conditions of the contract with the vendor (Recruitment Agency) for conducting Computer Based Tests. Hence, the contract was terminated. Again, a new agency was selected through GeM for carrying out the CBT Examination for the rest of the posts.

Further, the implementation of National Jute Development Program (NJDP) for overall development of jute sector by National Jute Board (NJB) was started from the year 2021. However, stakeholders consultation and preparation of operational guidelines took considerable time in implementation of NJDP. Further, the post-effect of COVID-19 Pandemic resulted in lukewarm response from industry. These are the reasons for shortfall in BE and RE for the implementation of Jute Development schemes.”

9.10 Elaborating the causes of under-utilization of allocated funds, the Ministry further stated as under:

“National Jute Board (NJB) implements National Jute Development Program (NJDP) for overall development of Jute Sector schemes. The statement with the details of Budget Estimate (BE), Revised Estimate (RE) and Actual Expenditure (AE) incurred during the last 03 years (2021-22, 2022-23 and 2023-24) under NJDP is as under:-

(₹ in Crore)				
Year	B.E	R.E	(A.E)	Reasons for Slow Progress
2021-22	65.00	45.00	36.00	<ul style="list-style-type: none"> • New NJDP-Umbrella Scheme approved on 20th May 2021 • Effect of Covid 19 • Lukewarm response/ stakeholders'consultation • New Procedural/ operational guidelines- Dec 2021
2022-23	70.00	30.00	30.00	<ul style="list-style-type: none"> • Partial implementation of approved schemes/ activities.
2023-24	100.00	75.00	73.10	<ul style="list-style-type: none"> • Partial implementation of approved schemes/ activities mainly due to absence of full-time Secretary for more than 4 months.
2024-25	50.00	80.00 (proposed)	25.00	

Reasons for reduction at RE stage are attributable to i) Intermittent lockdown during 2019-20 and 2020-21 and effect of Covid-19 Pandemic and non-functioning of jute production units. (ii) Slow/Lukewarm response from jute units and stake holder (iii) Inadequate Stakeholders' awareness programme for participation in approved promotional schemes / activities.

Jute Corporation of India Ltd. is responsible for MSP operation of jute. For incurring expenditure towards infrastructure and administrative expenses, the subsidy as Grants-in-Aid has been given to JCI. The statement with the details of Budget Estimate (BE), Revised Estimate (RE) and Actual Expenditure (AE) incurred during the last 03 years (2021-22, 2022-23 and 2023-24) under subsidy to JCI is as under:

(₹ in Crore)

Year	B.E	R.E	(A.E)	Reasons for Slow Progress
2021-22	52.16	46.00	46.00	Due to delay in recruitment of manpower at various level, the allocated expenditure could not meet.
2022-23	45.00	32.20	27.82	Due to delay in recruitment of manpower at various level, the allocated expenditure could not meet.
2023-24	42.00	28.00	27.90	Due to delay in recruitment of manpower at various level, the allocated expenditure could not meet.
2024-25	30.00	32.25 (proposed)	15.28	

JCI: There was a dispute regarding terms and conditions of the contract with the vendor (Recruitment Agency) for conducting Computer Based Tests. Hence, the contract was terminated. Again, a new agency was selected through GeM for carrying out the CBT Examination for the rest of the posts. Presently, the selected agency is on the verge of executing the examination for the remaining vacant posts, initially for Non-Executives and then Executives. Recruitment through CBT could be executed for the year 2024-25.”

9.11 When the Committee asked about the action plan of the Ministry to fully utilize the allocated funds in 2024-25, it was submitted as under:

“NJB is concerned, the approved schemes /activities under NJDP are being implemented keeping in view the physical & financial targets. The BE for 2024-25 is ₹50.00 crore. However, after the Board meeting held on 5th July, 2024, the schemes / activities have been incorporated in accordance with Annual

Action Plan of NJB for 2024-25 and sought budget as RE ₹ 80.00 crore for implementation of schemes and achieve the target.

JCI: During the Financial Year 2024-25, upto September 2024, JCI has received Grant of subsidy of ₹15.28 Crores and utilised the entire amount. It is estimated that the total expenses of JCI for F.Y. 2024-25 would be ₹32.25 Crores against allocated BE of ₹30.00 Crores. It is expected that JCI would be able to utilize the proposed RE of ₹32.25 Crores in F.Y. 2024-25.”

9.12 Elaborating the steps taken to ensure optimum utilisation of funds under Jute Sector by the end of 2024-25 fiscal, the Ministry informed the Committee as under:

“As approved in the Board meeting held on 5th July, 2024, the schemes / activities have been incorporated in accordance with Annual Action Plan of NJB for 2024-25 and sought additional budget of ₹ 30.00 crore (i.e. ₹ 80.00 crore in RE) for implementation of schemes to achieve the target. During 2024-25, under NJDP umbrella scheme, the following sub-schemes for development and promotion of Jute Agriculture, Diversification and Market Promotion of Jute and Jute Products are being implemented:

JUTE-ICARE (Improved Cultivation And Advanced Retting Exercise) Programme- Introducing a package of modern and scientific agronomic practices, for quality and productivity improvement in Jute Cultivation. The programme has been implemented by NJB since 2015-16 in collaboration with the Jute Corporation of India (JCI) and Central Research Institute for Jute and Allied Fibre (CRIJAF, ICAR), with distribution of jute certified seeds, seed driller/nail weeder machines and CRIJAF Sona as retting accelerator. During 2024-25, with 2,08,042 hectares of land benefitting 4,89,220 jute farmers JUTE I-CARE has been implemented.

(a) Jute Diversification Scheme (JDS).

(i) Capital Subsidy for Acquisition of Plant & Machinery (CSAPM) has been implemented for manufacturing Jute Diversified Products and to facilitate modernization / upgradation of the existing Jute mills and MSME JDP Units. Incentive @ 30% of the cost of machinery is provided to mill and MSME-JDP units for production of JDPs. During 2024-25, the scheme would be implemented with financial outlay of ₹4.76 crore benefitting 20 jute mills / MSME JDP Units.

(b) Jute Resource cum Production Centre (JRCPC) has been implemented to spread jute diversification trainings to new artisans and WSHGs for sustained employment for production of JDPs. During 2024-25, NJB has engaged total 28 Collaborating Agencies for undertaking 140 nos. training programmes on Jute Diversified Products in 12 States/U.Ts under JRCPC Scheme. Further, NJB is in the process of engaging 7 more Collaborating Agencies for organizing 35 nos.

training programmes (Total 35 Collaborating Agencies/ 175 training Programmes at financial outlay of ₹7.20 crore).

(c) Jute Raw Material Bank (JRMB) has been implemented to supply jute raw materials to jute artisans, MSMEs for production of JDPs at Mill Gate price. Under the scheme 21 JRMBs – collaborating agencies have been engaged to supply Jute Raw Materials in Haryana, UP, Punjab, West Bengal and Andhra Pradesh. During 2024-25, NJB has engaged 31 Collaborating Agencies for JRMB activities with financial outlay of ₹3.60 crore.

(d) Jute Retail Outlets (JRO) Scheme has been implemented to facilitate existing and new artisans / entrepreneurs for promotion and sale of JDPs through Retail Outlets / Showrooms. During 2024-25, 24 Jute Entrepreneurs have been accorded approval for running Jute Retail Outlets in 10 States / UTs. Further, 6 more Retail Outlets would be opened. With this, total 30 Retail Outlets would operate at financial outlay of 2.70 crore.

(e) Jute Design Resource Centre (JDRC) for designing and development of market worthy innovative jute diversified products and helping existing and new JDP manufacturers and exporters NIFT has been the nodal agency and initiated necessary action for operation of JDRC. During 2024-25, the scheme would be implemented with 400 designs supporting 400 Units/ Artisans at financial outlay of ₹3.50 crore.

(f) Product Diversification (R&D) Studies. National Jute Board, under National Jute Development Programme (NJDP) has been actively engaged in prioritization of Research & Development to explore the possibilities of jute in Textile and Non Textile Applications. In this direction , the on-going R&D projects undertaken includes among others, Denim quality specialized jute fabrics , Viscose fibre from jute and Bamboo pulps jute composite for automatic acoustic insulation, Nano-technological intervention on jute geotextiles for long term sustainability. Cost effective Handmade carpets with jute and other natural fibres and so on. Various Textile Research Associations viz. NITRA, ATIRA, NIT, NINFET, IJIRA WRA, IIT, IISc, have been assigned with the R&D Projects for and explore possibilities of jute in various applications. During 2024-25, total financial outlay of ₹3.90 crore has been earmarked for Technical Promotion Activities and R&D Projects/Studies.

(g) Production Linked Incentive (PLI) Scheme - Jute Mills and MSME JDP units exporting JDPs are being supported for manufacturing and exporting jute diversified products and making them cost competitive in the international markets. The regd. Exporters are entitled for incentive on exported jute diversified products @ 5% of the cost of jute raw material used limited to 3 % of FOB value subject to max. ₹12 lakh per unit / annum. During 2024-25, the PLI scheme would be implemented with financial outlay of ₹10.00 crore, benefitting 115 JDP registered exporters

(h) Market Development Promotion activities (Domestic & Exports): As measure for market promotion of jute and jute product NJB has been facilitating participation of JDP units for promotion and sale of JDPs in the

domestic market and to the registered jute exporters to boost export of jute goods. During 2024-25, 66 domestic market promotion activities, 19 export market promotion activities, Jute Mark Inda Logo programmes and publicity would be implemented at financial outlay of ₹28.49 crore, benefitting 1200 JDP units and 150 registered jute exporters

(i) Scholarship Scheme for the girl children of the workers of jute mills, JDP-MSMEs: NJB provides education support to the girl children of the workers of Jute Mills/MSME-JDP Units in the form of incentives @ ₹5,000/- on passing out Secondary Examination and ₹10,000/- on Higher Secondary Examination under the scheme. During 2024-25, the scheme is being implemented at financial outlay of ₹3.60 crore, benefitting 4900 girl children.

Through implementing of the above mentioned schemes under NJDP in full-swing, NJB will be able to utilize the allocated fund.

In respect to Jute Corporation of India, the Corporation has identified the reason for not completing the planned recruitment process in time which was a dispute regarding terms and conditions of the contract for conducting Computer Based Tests with the vendor (Recruitment Agency). A new agency was selected through GeM for carrying out the CBT Examination enabling recruitment for the rest of the year. Presently, the selected agency is on the verge of executing the examination for the remaining vacant posts and by the end of F.Y. 2024-25, JCI will be able to utilize the allocated fund.”

9.13 On being enquired about the Jute Export and imports both in terms of quantity and money, during the last three fiscals, the Ministry submitted before the Committee as under:

Export of Raw Jute during 2021-22 to 2023-24 are as under:-
(Qty:000 M.Ton,Value: ₹ in Crore)

Sl. No.	Product	2021-22		2022-23		2023-24	
		Quantity	Value	Quantity	Value	Quantity	Value
1.	Raw Jute	31.95	222.63	31.37	187.41	23.60	121.24
	Value in USD (Million)		30.11		23.91		14.65

(Source: DGCI&S)

Export of Raw Jute during 2023-24, valued at ₹ 121 Cr. (USD 15 Million) is lower by 37% in INR. and by 39 % in average dollar terms as compared to 2022-23. In last 3 years , Export of Raw Jute was maximum during 2021-22 (31, 950 M.Ton / ₹ 223 Cr.).

Export of Jute Goods during 2021-22 to 2023-24:

Sl. No	Product	Qty: 000 M. Ton				Value : ₹ in Crore			
		2021-22		2022-23		2023-24			
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value

1	Hessian	90.60	1112.90	80.76	1072.37	86.10	794.33
2	Sacking	51.53	640.58	52.63	693.67	35.70	411.96
3	CBC	0.39	5.77	0.41	5.89	0.10	1.39
4	Yarn	10.47	144.45	7.71	90.83	8.43	79.76
5	Soil saver	0.93	12.09	0.56	6.90	0.69	8.57
6	JDPs		1743.95		1506.63		1373.97
7	Others	7.63	126.11	5.55	134.32	6.25	133.93
8	Total	161.55	3785.86	177.25	3510.60	163.33	2803.92
9.	Total Value (USD Million)	-	512.06	-	447.84	-	338.73

*CBC – Carpet Backing Cloth Source: DGCI&S

Exports during 2023-24, valued at INR 2804 Crore equivalent to about US\$ 339 Million , is lower by 21% in Indian Rupees and by 24% in average dollar terms as compared to the same period of 2022-23 (April –March 2023). This decrease in exports in value terms has been mainly due to decline in exports of major categories of jute products: Hessian by 26%, Sacking by 41% , Yarn by 12% and JDPs by 8% as compared to 2022-23. In last 3 years, Exports of Jute Goods was maximum during 2021-22 (1, 61, 550 M.Ton. / ₹ 3785.86 Cr.). Exports of Raw Jute and Jute Goods during 2021-22 to 2023-24: -

(Quantity –in 000M Ton, Value :₹ in crore)

Sl. No	Product	2021-22		2022-23		2023-24	
		Quantity	Value	Quantity	Value	Quantity	Value
1.	Raw Jute	31.95	222.63	31.37	187.41	23.60	121.24
2.	Jute Goods	161.55	3785.86	177.25	3510.60	163.33	2803.92
3.	Total	193.50	4008.49	208.62	3698.01	186.93	2925.16
	Value in USD (Million)		542.17		471.75		353.38

In last 3 years, Export of Raw Jute & Jute Goods was maximum during 2021-22 (₹ 4008.49 Crore). Import of Raw Jute during 2021-22 to 2023-24:

Sl. No	Product	Qty:000 M.Ton		Value : ₹ in Crore		2023-24	
		2021-22	2022-23	2021-22	2022-23	Quantity	Value
1.	Raw Jute	62.52	449.41	121.28	830.37	138.66	766.31
	Value in USD Million		60.78		105.93		92.58

Source: DGCI&S

Import of Jute Goods during 2021-22 to 2023-24:

Import of Raw Jute during 2023-24, valued at ₹766 Crore is lower by 8 % in INR and by 13% in average Dollar terms as compared to 2022-23. In last 3 years, Import of Raw Jute was maximum during 2022-23 (₹ 830.37 Crore).

Import of Jute Goods during 2021-22 to 2023-24:

		Qty: 000 M. Ton				Value: ₹ in Crore	
Sl. No	Product	2021-22		2022-23		2023-24	
		Quantity	Value	Quantity	Value	Quantity	Value
1	Hessian	36.14	363.45	48.26	326.23	34.33	305.39
2	Sacking	41.56	502.63	46.98	549.47	72.28	795.26
3	Yarn	42.38	416.70	62.20	533.51	69.62	504.55
4	JDPs		4.07		10.91		8.92
5	Total (Incl. Others)	127.65	1392.65	201.05	1532.22	189.42	1727.72
6.	Total Value (USD Million)	-	188.35	-	195.46	-	208.72

Source: DGCI&S

Import of Jute Goods into India has been persistently increasing. During 2023-24, import of Jute Goods, valued at ₹ 1728 Crore was higher by 13% as compared to 2022-23. Hessian, Sacking and Yarn constituted 93% of total import value of Jute Goods. In last 3 years, import of Jute Goods was maximum during 2023-24 (1,89,420 M.Ton / ₹1727.72 Crore). Imports of Raw Jute and Jute Goods during 2021-22 to 2023-24:

		Qty: 000 M.Ton				Value: ₹ in Crore	
Sl. No	Product	2021-22		2022-23		2023-24	
		Quantity	Value	Quantity	Value	Quantity	Value
1.	Raw Jute	62.52	449.41	121.28	830.37	138.66	766.31
2.	Jute Goods	127.65	1392.65	201.05	1532.22	189.42	1727.72
3.	Total	190.17	1842.06	322.33	2362.59	328.08	2494.03
	Value in USD Million		249.13		301.39		301.30

Import of Raw Jute & Jute Goods is maximum during 2023-24 (3,28,080 M.T/ ₹ 2494 Crore).

9.14 When asked regarding funds allocated for moderanisation/ upgradation of jute machinery in the current fiscal and measures adopted for upgradation of jute machinery in the Country, the Ministry informed the Committee as under:

“Under approved National Jute Development Programme (NJDP), there has been an approved scheme : Capital Subsidy for Acquisition of Plant & Machinery (CSAPM) for Jute Diversified Products : To Facilitate modernization/Upgradation of the existing Jute mills and MSME JDP Units, for manufacturing Jute Diversified Products. Total budget approved for implementation of the CSAPM scheme during 2024-25 is Rs 4.76 crore.

During 2021-22 – 2025-26 (15th Finance Commission Period) total financial outlay of Rs 30 crore has been earmarked under National Jute

Development Program being implemented by National Jute Board. Under the CSAPM Scheme, incentive @ 30% of the cost of machinery is provided to Mill / MSME JDP Units for production of Jute Diversified Products.

NJB has been organizing awareness programmes among the jute mills/JDP units to ensure their participation in the CSAPM Scheme and to produce value added jute diversified products.”

X. RESEARCH AND CAPACITY BUILDING

10.1 The details of funds allocated and utilised during last three years and BE for 2024-25 for the schemes provided under Research and Capacity Building Head are as follows:

(₹ In crore)

Year	B.E	R.E	A.E
2021-22	357.00	276.10	259.94
2022-23	495.83	208.60	81.74
2023-24	832.56	500.63	338.38
2024-25	801.67	-	-

10.2 Research and Capacity building caters mainly through SAMARTH, NIFT, NTTM and Research and Development etc. schemes.

a. SCHEME FOR CAPACITY BUILDING IN TEXTILES SECTOR (SAMARTH)

10.3 Details of funds allocated and utilised during last three years and BE for 2024-25 under SAMARTH are as under:

(₹ in crore)

Year	B.E	R.E	A.E
2021-22	100	90	59.76
2022-23	100.00	25.00	23.27
2023-24	115.00	115.00	114.99
2024-25	166.00	-	-

10.4 The Committee enquired about the measures proposed for full utilisation of the earmarked amount during 2024-25. The Ministry stated in their reply as under:

“Ministry will be able to utilize allocated ₹ 166.00 crore for the FY 2024-25, as this fund will be utilized for the committed liability under the scheme for the previous year’s allocation. Also, Standing Finance Committee (SFC) with the approval of HMOT on 16.10.2024 has extended Samarth Scheme for FY 2024-25 and 2025-26 (co-terminus with 15th Finance Commission Cycle) with financial outlay of ₹ 495.00 crores to train 3 lakh persons. So, additional fund requirement of 165.00 crore is required to train additional allocation of 1 lakh persons during this financial year 2024-25.

As per the direction of Department of Expenditure, fund flow mechanism in Samarth scheme has shifted to TSA hybrid (1A) model. However, concurrence has been done for ₹ 108.00 crore, which will be utilized shortly. The total allocated fund of Rs 166.00 crore will be utilised during this financial year 2024-25.”

10.5 The Committee further asked about the level and quality of training imparted to the youth under SAMARTH Scheme. The Committee also wanted to know about the difference in Pre and Post-COVID-19 era in terms of number of beneficiaries.

“The framework and implementation mechanism of the scheme has been aligned with overall framework of skilling programmes prescribed by M/o Skill Development & Entrepreneurship. All courses under the scheme are National Skill Qualification Framework compliant formulated in consultation with the user industry and after assessing the skill sets required for the worker. An end-to-end digital solution has been put in place for implementation and monitoring of the training programme under the scheme. Mobile app has been made functional for uploading of photos with Geo tagging and time stamp. During the training programme the attendance of the trainees is captured through Aadhaar Enabled Biometric Attendance System (AEBAS). Each trained beneficiary is subjected to an assessment through a third-party assessment agency for analysing the level and quality of skill acquired through the programme before certification. Placement & post placement tracking data are captured and monitored through the system. In addition to this, an Observer (RSA) has been appointed to oversee the assessment process.

No candidate has been trained under samarth during the COVID-19 era as all the batches ongoing under the scheme during March 2020 had to be cancelled on account of the restrictions imposed due to COVID-19 pandemic and trainees were marked dropped out in the system.

After COVID-19 pandemic, a total no of 3.32 lac beneficiaries have been trained (passed) under Samarth as on 14.10.2024”

10.6 When the Committee desired to know the details of persons trained under SAMARTH and their placement after completion of training, the Ministry submitted as under:

“Web based centralized Management Information System (MIS) has been operationalized under the scheme for where real time data is captured for monitoring of the training programme under the scheme. Aadhaar Enabled Biometric Attendance System (AEBAS) is integrated with the MIS. The entire lifecycle of the training program of the beneficiaries starting from enrolment, batch formation, daily attendance through AEBAS, Batch Photograph via

Mobile app, Assessment details, result of the beneficiaries, Placement, post placement tracking (Retention) are captured in the MIS.

The state-wise details of trained persons along with the placement status during the last three fiscals and current year 2024-25 (as on 14.10.2024) is as mentioned below:

S. No.	State	No of trained persons during the last three years	No of placed persons during the last three years	No of trained persons in current year	No of placed persons in current year
1	Andaman and Nicobar	93	67	0	0
2	Andhra Pradesh	6865	5577	939	876
3	Arunachal Pradesh	87	30	0	0
4	Assam	7429	5965	1140	39
5	Bihar	8361	4847	1308	1869
6	Chandigarh	88	72	0	0
7	Chhattisgarh	2331	2141	328	294
8	Delhi	4694	3218	1229	821
9	Goa	83	83	0	0
10	Gujarat	8639	7332	1155	845
11	Haryana	13289	10428	3784	2693
12	Himachal Pradesh	754	673	200	88
13	Jammu and Kashmir	1963	1417	82	39
14	Jharkhand	2228	1670	597	501
15	Karnataka	68498	56971	7636	6677
16	Kerala	1966	1880	134	2
17	Ladakh	26	26	0	0
18	Madhya Pradesh	6972	5230	2821	2360
19	Maharashtra	9395	7570	1753	1010
20	Manipur	1117	850	179	0
21	Meghalaya	139	139	0	0
22	Mizoram	615	332	53	0
23	Nagaland	1027	925	73	29
24	Odisha	6774	5757	533	437
25	Puducherry	336	306	0	0
26	Punjab	748	536	53	43
27	Rajasthan	14710	10616	3652	3364
28	Sikkim	66	0	0	0
29	Tamil Nadu	59640	52958	6783	4346
30	Telangana	7670	6211	661	725
31	The Dadra and Nagar Haveli and Daman and Diu	1718	1518	181	97
32	Tripura	1286	1045	71	93

33	Uttar Pradesh	38966	27264	10106	8131
34	Uttarakhand	647	558	81	35
35	West Bengal	2083	1314	75	10

10.7 The Committee further enquired about the placement of the trained persons as per strategy of placement linked skilling programme with mandatory wage employment in organised as well as traditional sectors, the Ministry informed as under:

“Samarth is a demand driven scheme, so Ministry has partner with more 151 textile industry and 16 industry association to address the skilling requirement of the industries through captive placement with mandatory 70% placement. Also, in order to ensure placement target of 70% under the organized sector courses, the captive requirement of manpower in wage employment by the industry is taken into account before allocation of training target and in the case of industry association, target allocation is to meet the captive manpower requirement of their member partneर

Further, release of payment from 2nd instalment till 4th instalments is linked to achieving the requisite percentage of placement along with other parameters by implementing partneर In addition to this, training partners are required to upload the details of placement and tracking of beneficiaries on MIS every month along with the supporting documentary proof (pay slip, placement letter etc.)

Whereas in traditional sector, mostly candidates have been self-employed which has been monitored through Ministries organization like O/o DC handicraft, O/o Handloom, Central Silk board, Central Wool Board i.e. in their sectoर

10.8 When the Committee asked about the monitoring mechanism developed by the Ministry, it was informed as under:

“For ease of Implementation and monitoring a robust software platform with end to end solutions comprising of provisions for submission of online proposal by Implementing partners, online desk evaluation of proposals, mobile App enabled physical verification of training centres, online registration of trainees after Aadhaar authentication, Aadhaar Enabled Biometric Attendance System (AEBAS), separate module for assessment, online issuance of certificates etc., has been operationalized under the Samarth after extensive discussion with stakeholdeर The data relating to the training programme including (AEBAS), assessment & placement details, placement tracking etc are captured in the MIS on real time basis and analysed at each milestone of training programme for proper monitoring of the implementation.

Implementing partner has to have mandatory CCTV recording for the entire training programme and third assessment agency to do the mandatory video recording during the assessment of the beneficiaries. In addition to this, field level verifications are also conducted by Textile committee on random basis. The progress of the training programme is reviewed at various in the Ministry at

various level (including Empowered committee- Inter ministerial committee) with Implementing Partners from time to time and remedial actions are taken for addressing issues reported. Also, Textile committee has been appointed as observer to oversee the process.”

10.9 When asked about the action plan prepared to optimally achieve the physical targets set during 2024-25 fiscal, the Ministry submitted as under:

“The Ministry has achieved the physical targets approved by SFC held on 21.05.2024. As regards the financial target of ₹ 166.00 crore for FY 2024-25, the same will be utilized for meeting committed liabilities for the above said allocation. Further, SFC held on 30.09.2024 has approved additional physical target of 1.00 Lakh for FY 2024-25 with financial outlay of ₹ 165.00 crore.

In order to optimize physical achievement for financial year 2024-25, following steps have been taken: -

- a. Additional training target will be allocated to performing implementing Partner
- b. Addition of new training centers as per the requirement of Implementing Partners are allowed for expediting the sanctioned training target.
- c. RFP process will be initiated for empanelling of new Implementing Partners (industries/Industry associations) and allocation of training target.
- d. State Governments yet to participate in the scheme are also being pursued for submission of proposal.”

10.10 The Committee were informed that all the proposal received from the various Central/State Government Agencies has been concluded with the approval of empowered committee. Currently 19 Central/State Government agencies empanelled under samarth scheme.

10.11 Regarding measures adopted to create awareness among the rural and semi-urban population regarding training programmes/projects, the Committee were apprised as under by the Ministry:

“Under Samarth, the Implementing Partners are entrusted with the task to create awareness among the beneficiaries across all categories of people including rural and semi-urban population regarding the training programme. The implementing Partners use various media channels such as Print/Electronic Media, social media, organizing camps/rozgar melas, Posters, Flyers etc. for mobilization of candidates.

Cluster level review meetings and outreach programmes are also organized for disseminating the scheme information. Additionally, real time data on scheme progress is also made available in public domain.”

b. PRODUCTION LINKED INCENTIVE (PLI) SCHEME FOR TEXTILES

10.12 The Government has approved the Production Linked Incentive (PLI) Scheme for Textiles, with an approved outlay of Rs 10683 crore over a five year period, to promote production of MMF Apparel, MMF Fabrics and Products of Technical Textiles in the country to enable Textile sector to achieve size and scale and to become competitive. The Scheme has two parts; Part-1 envisages a minimum investment of ₹300 crore & minimum turnover of ₹600 crore per company; and Part-2 envisages a minimum investment of ₹100 crore & minimum turnover of ₹200 crore per company FY 2022-23 & FY 2023-24 were gestation period under the scheme. The incentive will be provided to the companies under the scheme on achieving the threshold investment and threshold turnover and thereafter incremental turnover.

10.13 The details of funds allocated and utilised since last three financial years and BE for 2024-25 under Production Linked Incentive (PLI) Scheme for Textiles Sector are as follows:

(₹ In crore)

Year	B.E	R.E	A.E
2021-22	0.00	0.50	0.00
2022-23	15.00	7.50	7.08
2023-24	5.00	5.00	4.13
2024-25	45.00	-	-

10.14 The Committee when asked the Ministry about the reasons of 'nil' utilization in 2021-22 and shortfall in expenditure under the PLI Scheme for textiles in last two FYs, it was informed to them as under:

“As per agreed fee structure, amount of ₹ 50.00 lakh had to be paid to IFCI Ltd. (PMA for PLI scheme) for implementation of the scheme for FY 2021-22. However, due to non-finalization of MoU Agreement with IFCI, payment of ₹ 50.00 lakh to IFCI Ltd. could not be made during FY 2021-22. Therefore, the amount of ₹ 50.00 lakhs remains unutilized for FY 2021-22 in PLI Scheme for Textiles.

There are two heads under PLI Scheme viz. Professional Services and Grants-in-Aid General. ₹ 10.00 cr was requested under Professional Services head. However, at BE, ₹ 15.00 cr was allocated under Grant-in-Aid General head. Then ₹ 10.00 cr was reappropriated to Professional Services head. ₹ 7.50 cr was allocated at RE 2022-23 for payment of professional fee i.e. ₹ 7.08 cr to IFCI for FY 2021-22 and FY 2022-23 plus other administrative/ misc.

expenditure of the scheme. Therefore, saving of ₹ 42.00 lakhs was surrendered.

₹ 5.00 cr was allocated at BE 2023-24 and RE 2023-24 for payment of professional fee i.e. ₹ 4.13 cr for FY 2023-24. Therefore, saving of ₹ 87.00 lakhs was unutilized.”

10.15 The Committee further enquired the reasons for projecting BE of ₹ 45.00 crore in 2024-25 vis-à-vis BE of Rs 5.00 crore in 2023-24. The Ministry stated in their reply as under:

“PLI scheme is in Gestation period for FY 2022-23 & FY 2023-24.

FY 2024-25 is the first performance year and FY 2025-26 is the first incentive claim year.

However, in case an entity achieves its required investment and turnover target a year earlier than prescribed, it can avail benefits one year in advance treating 2023-24 as performance year and 2024-25 as Year 1 for incentive.

₹ 5.00 cr was allocated under BE 2024-25 under Professional Services head for payment of professional fee to PMA for FY 2024-25. ₹ 40.00 cr is allocated under BE 2024-25 under Grants-in-Aid General head for disbursement of incentives for FY 2024-25.”

10.16 Regarding measures taken by the Ministry to ensure optimal utilization of earmarked budget under this Scheme in 2024-25, the Ministry informed the Committee that regular interaction with the PLI participants on the level of Hon'ble Minister of Textiles, Secretary (Textiles) and Trade Advisor are held.

10.17 It was also submitted by the Ministry that “presently, 74 companies have been selected under the PLI Scheme for Textiles.”

10.18 During the course of evidence, the Committee brought the attention of the Ministry towards very low utilization of funds under the scheme of PLI. In the response, the Secretary candidly admitted as follows:

“...I would just like to submit that in the case of PLI Scheme, the scheme had a gestation period. The gestation period just got over in March of this year. So, this year onwards is when we are expecting the incentives to be claimed and the disbursement to happen. So, we have 74 participating companies in PLI and almost all of them have identified lands. Investment of about ₹6,000 crore has been grounded. We are expecting investment of about ₹28,000 crore coming in. In fact, we had a second round of applications also where some more fresh applicants have joined the scheme. This year onwards, we are expecting the disbursement to start happening. In the case of PLI, they have to first bring in investment, for instance, ₹100 crore of investment. Then, they have to achieve a turnover double of that which is ₹200 crore. Only then, they can come to us with claim. We have made relaxation in the scheme that whenever they are able to achieve this threshold turnover, they can immediately come to us and we will give them the incentive. In fact, I would also like to submit that in the PLI scheme, technical textiles component has taken off very well and also the MMF, apparel and fabric. We are expecting a lot of capacity and a large-scale manufacturing capacity getting created in these segments.”

PART – II

OBSERVATIONS/RECOMMENDATIONS

1. The Committee note that in 2023-24, the Ministry of Textiles had put forth BE of ₹ 4389.34 crore which was revised at RE Stage to ₹3443.09 crore and Actual Expenditure could only reach 89.55% of RE, i.e. ₹ 3083.30 crore. It constituted 70.25% of BE. In 2024-25 BE was ₹ 4417.03 crore and up till 19.11.2024 only ₹ 1668.42 crore were utilized which is only 38% of BE. The Committee were apprised that the RE for the Ministry of Textiles could not be decided until mid of November, 2024. The Committee observe that even though the allocated funds could only be utilized up to 89.55% of BE in 2023-24, the Demands for Grants had been significantly enhanced by the Ministry of Textiles in 2024-25 and only 38% of the funds could be utilized during the ongoing third quarter of the current fiscal.

Taking into consideration the Ministry's assurance that funds allocated under BE 2024-25 would be fully utilized and more funds would be utilized after fixation of RE 2024-25, the Committee desire that the Ministry should make more tangible efforts to plan their action for utilization of allocated funds in those Schemes where earmarked sum could not be used in a best possible manner such as 'National Technical Textiles Mission (NTTM)' and 'Scheme for Procurement of Cotton' etc. The Committee, therefore, expect that the Ministry would prepare scrupulous plan of action for managing the earmarked funds and come up to their commitment.

2. The Committee understand that effectively only four months of FY are available to utilize the earmarked funds for 2024-25 and the Ministry are making sincere efforts to optimally utilize the allocated funds. The Ministry's rationale behind demanding enhanced funds under BE 2024-25 raises questions considering the fact that out of ₹ 4417.03 crore, only ₹ 1668.42 crore have been utilized and only four months are left of the FY 2024-25. The Committee, therefore, advice the Ministry to demand enhanced funds under Supplementary Demands only based on specific head/scheme wise projections of expenditure so that excess funds are not surrendered as 'savings' at the end of the FY 2024-25. The Committee would also like to be apprised of the latest position regarding RE 2024-25 as well as Supplementary Demands for Grants for the year 2024-25.

3. The Committee are concerned to note that up till mid November, 2024, only 38% of the budgetary funds have been utilized. According to the guidelines issued by the Budget Division (Ministry of Finance), there is a ceiling limit of expenditure i.e. 25% in last quarter and 10% in the last month of the fiscal year. Considering the fact that there are huge funds left unspent with the Ministry, the Committee hope that the Ministry plan their strategy in such a way so that the guidelines of the Ministry of Finance are adhered to and the enhanced funds received at supplementary demands level, if any, are utilized completely.

4. The Committee note that the overall reduction in the BE figures during the year 2023-24 from ₹ 4389.34 crore to ₹ 3443.09 crore at RE stage was mainly due to the reduction in the allocation of the three Schemes. First, ATUFS (from ₹ 900 crore to ₹ 675 crore) because no new

projects could be accepted during the entire year and funds were utilized only for clearing the pending liability. Secondly, under National Handicraft Development Programme (₹ 238.33 crore to ₹ 155.00 crore) due to the non-receipt of viable proposals and pending utilization certificates and thirdly, under NTTM Scheme (from ₹450.00 crore to ₹ 170.00 crore) due to extended procurement procedure. The Committee believe that these are the perennial and ever-prevailing reasons that underline every Central Sector Scheme and desire the Ministry to take serious and focused steps towards dealing with these clichéd problems. The Committee recommend that the Ministry should take up the matter with the apex level officers of the States/UTs to sort out this issue and pursue the matter periodically with them in order to receive utilization certificates and proposals well in time so that the earmarked budget are not surrendered. Appropriate handholding may also be offered to the States/UTs in structuring their proposals under the schemes.

5. The Committee note that the proposed BE 2023-24 under the scheme National Handicraft Development Programme of ₹ 250.00 crore was reduced to ₹ 206.00 crore. Similarly, under Development of Jute Textiles (NJB), ₹ 104.67 crore has been reduced to ₹ 50.00 crore; under Textiles Cluster Development Scheme ₹ 142.04 crore to ₹ 100.00 crore and under Integrated Processing Development Scheme, ₹ 60.80 crore reduced to ₹ 30.00 crore. The Committee are worried to find this conspicuous reduction in allocation of funds at BE level under these Schemes/Programmes of the Ministry. The Committee are not aware if the reduction in the funds sought at the BE stage has had an adverse

impact on the targets set under the scheme. The Committee, therefore, are of the considered opinion that the Ministry should take appropriate steps at the time of presenting Supplementary Demands for Grants for appropriate additional funds under these Schemes as these are some of the significant Schemes of the Ministry which require sufficient funds for effective implementation which cover the wellbeing and welfare of the workers/artisans working at the grass root levels of our society.

6. The Committee find that the Ministry need to enhance the utilisation of the allocated budgetary funds as well as achieving the physical targets specially under the Schemes of Amended Technology Upgradation Fund Scheme (ATUFS), National Handloom Development Programme, Raw Material Supply Scheme, Schemes/programmes related to Handicrafts Industries such as National Handicrafts Development Programme (NHDP) and Comprehensive Handicrafts Cluster Development, Pashmina Wool Development Programme, Grants towards Development of Silk Industry, Scheme for Development of Jute Sector, Integrated Process Development Scheme of Textiles Sector, PM Mega Integrated Textile Region and Apparel (PM MITRA) and Production Linked Incentive (PLI) Scheme for Textiles. The Committee note that since each Scheme is plagued with problems of their own kind, the Ministry should follow individual or customized approach to ensure achievement of physical and financial targets set under each Scheme. The Committee would like to be apprised of the steps taken in this regard and the progress made in achieving the said targets in the present and ensuing FYs.

COTTON SECTOR

7. The Committee note that in 2023-24, under the Central Sector Scheme of Procurement of Cotton, BE and RE was ₹ 0.01 crore out of which there was nil utilization. The reason cited by the Ministry was the price of kapas which remained above the MSP, so no MSP support was required for 2021-22 and 2022-23. The Committee are given to understand that under this Scheme, when the price of seed cotton (kapas) falls below the MSP, the Cotton Corporation of India (CCI) which is the Central Nodal Agency under the Ministry of Textiles to conduct MSP operations, procures it at MSP rates from the farmers. However, the volume of procurements under MSP operations depend on the prevailing market situation based on demand and supply of cotton in domestic and international market. The Committee find that in 2024-25, the Ministry had put forth remarkably enhanced demand of ₹ 600 crore at BE stage as the improvement in the demand for cotton in the market after lockdown measures during 2019-21 drove the prices significantly higher. Taking note of the above, the Committee expect the Ministry to make concerted efforts to ensure efficient utilization of the amount of ₹ 600 crore as sought in the current fiscal year and there's no surrendering of funds under this Head at the end of the current fiscal.

HANDLOOM INDUSTRIES

8. The Committee observe that the fiscals 2021-22 to 2024-25 witnessed reduction of funds from BE to RE stage in respect of Handloom

Industries. Although, ₹ 367.00 crore were sought by the Ministry as BE in 2023-24, it was reduced to ₹ 357.00 crore out of which ₹ 352.31 crore could be utilized. Again, the Ministry have sought BE of ₹ 379.17 crore in 2024-25. The Committee desire to be apprised of the figures regarding RE and actual utilization under the head 'Handloom Industries' along with the cogent measures taken for optimal utilisation of funds.

9. The Committee are concerned to note that reduction of funds continuously at RE stage since 2021-22 is attributed to non-receipt of viable proposals from States/UTs Government and Handloom workers not coming forward for enrolment under PMJJBY/PMSBY and for Weavers MUDRA loan as these insurance schemes are voluntary under National Handicraft Development Programme of the Ministry. The Committee also note these reasons being quoted for underutilization of funds under other schemes of the Ministry. In the considered opinion of the Committee, these reasons plaguing the Schemes of the Ministry point towards a serious lack of pro-active measures to make the Schemes more effective. The Committee recommend that underlying causes for non-receipt of viable proposals and the PMJJBY/PMSBY Schemes and Weavers MUDRA loan having no takers have to be critically analysed and the Schemes need to be re-engineered to iron out these bottlenecks. There has to be continuous engagement with the States and UTs for the same as these schemes are intended to benefit some of the neediest beneficiaries in the textile Sector in the country and appropriate inter-governmental architecture should be set up for the same. The Committee also

recommend such efforts in case of other schemes of the Ministry too wherein the reasons for underutilization of funds are same or similar.

The Committee also desire that the Ministry should explore the possibility for mandatory enrolment of the handloom workers/artisans under PMJJBY and PMSBY which are significant insurance schemes of the Government of India. The Committee are of the considered opinion that even more effective steps should be taken by the Ministry to spread proper awareness about the Weavers Mudra Loan Scheme amongst the rural population of the country so that its benefit could be availed by the small and marginal target group.

Raw Material Supply Scheme

10. The Committee appreciate the fact that the Ministry have been able to gainfully utilize the funds allocated for Raw Material Supply Scheme. During the year 2022-23, ₹ 139.70 crore was spent vis-à-vis RE of ₹ 130.00 crore and in 2023-24, against RE of ₹ 160.00 crore, ₹ 159.72 crore were utilized. Again in 2024-25, Ministry had put forth demand of ₹ 172.17 crore as BE. The Committee observe that ₹ 88.41 crore vis-à-vis the BE of 2024-25 had been utilized till September, 2024 and the Ministry have assured the Committee that the entire allocated funds will be utilized by the end of current FY 2024-25. The Committee are pleased with the efforts of the Ministry and expect the Ministry to take resolute steps towards meeting their commitment and achieve optimal utilization as well as objectives of the Scheme. The Committee would also like to be

apprised of the physical targets fixed under the Scheme for the current fiscal.

11. During the course of evidence, the Committee came across the fact that the weavers/artisans involved in the traditional handloom and handicrafts industries for a long period of time like 20-25 years suffer from grave life-threatening lung diseases such as tuberculosis which is inevitable for them. The Committee exhort the Ministry to take up this matter with uttermost seriousness and launch a fresh scheme or programme meant to take care of medical facilities and expenses of these persons who get these terminal illnesses due to their involvement in the production of world class textiles. They have given their significant contribution in the economic development of the country therefore the Ministry should adopt a humanitarian angle and seek separate budget allocation for this Scheme from the Ministry of Finance in the next FY 2025-26.

HANDICRAFTS SECTOR

12. The Committee note that under Handicrafts Sector, in 2023-24, BE of ₹ 284.52 crore was sought by the Ministry, vis-à-vis an RE of ₹ 177.38 was granted out of which, ₹ 180.51 crore was utilized which was more than the RE. The Committee note with curiosity that in 2024-25, Ministry have requested for ₹ 242.00 crore which is quiet higher than the previous year's Actual Expenditure. Moreover, the Ministry have also requested for supplementary grants of ₹ 23.24 crore. The Committee, therefore, advise the Ministry to live up to their own expectations in

regard to the expenditure under various Schemes covered under Handicrafts Sector and prepare foolproof plan of action to efficiently utilise the allocated funds.

National Handicraft Development Programme (NHDP)

13. Under National Handicraft Development Programme (NHDP), the Committee are constrained to find that the Ministry could utilize only ₹ 158.90 crore vis-à-vis the BE of ₹ 238.33 crore in 2023-24. According to the Ministry, this shortfall was because the utilization up to September, 2023 had deviated from the Quarterly Expenditure Plan (QEP); problems faced by Implementing Agencies (IAs) in opening of Zero Balance Subsidiary Accounts as per Central Nodal Agency (CNA) module and new accounting procedure of CNA which became active in August, 2022 only. Further, the Committee are not happy to note the reduction of funds allocated at RE stage in 2023-24 which came down to ₹ 155.49 crore due to late receipt/non receipt of viable proposals and non-submission of reimbursement documents and account settlement during the first two quarters of FY 2023-24. The Committee express their serious discontent over the trite replies of the Ministry and exhort them to look for structural deficiencies from a fresh perspective in the very design of the Schemes/Programmes so that it can be implemented more efficiently. Moreover, the Committee do not find it prudent to find reasons like introduction of new accounting practices impeding the implementation of schemes and take a serious note of it. In the considered opinion of the Committee such reasons squarely reflect imprudent implementation of

schemes designed for the benefit of a vulnerable sector like handicrafts. It is recommended that the Ministry shall take all measures to avoid such factors affecting the very performance of schemes.

14. Non receipt of viable proposals and pendency of Utilization Certificate (UCs) have been cited as reasons for shortfall in achieving physical and financial targets under National Handicraft Development Programme and Handicraft Mega Cluster Scheme. The Committee recognise that there are a few speed breakers which the Ministry have to manoeuvre but, at the same time, are not satisfied with the reply of the Ministry as these issues need to be anticipated while implementing any schemes/programmes. Hence, the Committee urge upon the Ministry to take more conclusive measures to alleviate these problems. As part of this, timelines should be drawn for sanctioning of new projects and submission of UCs and these timelines should be strictly adhered to. Stringent action should be taken in case of non-compliance. The Ministry should dovetail their efforts with the departments of respective State Governments to spread more awareness about the Schemes and more coordinated efforts should be put in so that monitoring of implementing agencies could be done properly and there are no further delays. Further, the Committee desire that the Ministry take prioritized steps to implement the module in PFMS to receive UCs through it.

SILK SECTOR

15. The Committee note that India is the second largest producer of Silk in the world after China with the production of 38,913 MTs of silk.

India produces four varieties of silk viz. Mulberry (76.82%), Tasar (4.08%), Eri (18.46%) and Moga (0.65%). The Bivoltine raw silk production has also increased by 8.66% from 8,904 MTs to 9,675 MTs during 2023-24. The Committee find the achievements of the Ministry in the sector and also the utilization of the funds under this Head commendable. The Committee hope that the Ministry would stick to their commitment of optimal utilization of the allocated funds of ₹ 900.00 crore (BE) in 2024-25 and would like to be apprised of the RE as well as supplementary demand under this Head. The Committee also desire the Ministry to take well-focussed steps to conduct more research and development under Silk sector for further improving the quality of indigenously manufactured silk to compete with Silk manufactured by other major players in the world market.

TEXTILE SECTOR

16. The Committee note that the Ministry had sought BE of ₹ 316.55 crore which was reduced to ₹ 134.85 crore at RE stage and the Actual Expenditure was only ₹ 67.79 crore in 2023-24. In 2024-25, the Ministry have requested for BE of ₹ 381.77 crore. According to the Ministry, a major portion of the allocation was designated for PM-MITRA. Since the scheme was in its initial phase and as a pre-requisite for the release of funds, a Master Developer had to be appointed by all the States, the process of which could not be completed in the previous year, therefore the funds could not be released. The Committee find that in 2024-25, BE has been enhanced by the Ministry vis-à-vis the previous year in the

expectation that a major portion of it, i.e., ₹ 300 crore, allocated under PM-MITRA Scheme would be utilized by the end of the current fiscal. The Committee express their concern over the delay and lack of interest displayed by the State/UT Governments in sending the viable proposals as well as completing the ongoing projects. The Committee, therefore, recommend that the Ministry should explore other options also such as inclusion of private players, to develop these Parks at the earliest, as this is the project initiated by the Central Government which has the potential to generate unlimited employment opportunities, which would eventually contribute to the economic development of the country.

PRODUCTION-LINKED INCENTIVES (PLI) SCHEME FOR TEXTILE

17. The Committee note that the Production-Linked Incentives (PLI) Scheme for Textiles has been launched by the Government with an approved outlay of ₹ 10,683 crore over a five year period to promote production of Manmade Fibre (MMF) Apparel, MMF fabrics and products of technical textiles in the country to enable Textile Sector to achieve size and scale and to become competitive. The Committee find that in 2023-24, BE of ₹ 5.00 crore were sanctioned for this Scheme and ₹ 4.13 crore were actually utilized and an amount to the tune of ₹ 42.00 lakh was surrendered in FY 2021-22 and 2022-23 and ₹ 87 lakhs were left unutilized in 2023-24. In 2024-25, ₹ 45.00 crore have been sought by the Ministry. The Committee understand that the FY 2022-23 to 2023-24 was supposed to be the gestation period for the Scheme and as FY 2024-25 is the first performance year of the Scheme, the Ministry had to seek BE of ₹ 45.00

crore in 2024-25. The Committee, taking note of the above fact, are of the considered opinion that under this situation wherein 74 companies have been selected under the PLI Scheme, it is expected that the Ministry should be in a position to meet the demand in case incentives are claimed and the disbursement of funds will take place effortlessly from this year onwards.

18. The Committee further note that an investment of about ₹ 6,000 crores has been made under Production-Linked Incentives (PLI) Scheme and the Ministry is expecting additional investments of about ₹ 28,000 crores. The Committee, keeping in the background, the surrender of unutilized funds year after year since 2021 till 2023-24, urge the Ministry to make determined efforts to plug the loopholes, if any, in the Scheme. The Committee further desire that the Ministry should come up with some more incentives such as developing motivational programmes. Also measures for spreading awareness about the Scheme should be further augmented so that more and more beneficiaries can be attracted and enrolled under the same. The Committee are of the view that PLI Scheme is not meant for Textile Sector alone, but the Government has announced an outlay of handsome amount across 14 key sectors viz. Ministry of Electronics and Information Technology, Department of Pharmaceuticals, Department of Telecommunications, Ministry of Food Processing Industries, etc to create national manufacturing champions. The Committee believe that a huge potential lies within the various sectors of Ministry of Textiles and the Ministry should make concerted efforts to exploit them through proper research and development in the MMF

Sector and come up with an appropriate plan so that allocated funds are gainfully utilized within the stipulated timeline.

**New Delhi;
12 December, 2024
21 Agrahayana, 1946(Saka)**

**BASAVARAJ BOMMAI
CHAIRPERSON,
STANDING COMMITTEE ON LABOUR,
TEXTILES AND SKILL DEVELOPMENT**