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STANDING COMMITTEE ON LABOUR
(2008-09)

(FOURTEENTH LOK SABHA)

MINISTRY OF TEXTILES

*[Action taken by the Government on the Recommendations/Observations contained in the
Twenty-Ninth Report of the Standing Committee on Labour on Demands for Grants of
the Ministry of Textiles for the year 2008-2009]*

THIRTY- FIRST REPORT



LOK SABHA SECRETARIAT
NEW DELHI

September, 2008/Bhadrapada, 1930 (Saka)

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*Presented to Lok Sabha on 21.10.2008
Laid in Rajya Sabha on 21.10.2008*



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NEW DELHI

September, 2008/Bhadrapada, 1930 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON LABOUR
(2008-2009)

Shri Suravaram Sudhakar Reddy-CHAIRMAN

MEMBERS

LOK SABHA

2. Shri Furkan Ansari
3. Shri Ramdas Bandu Athawale
4. Shri Subrata Bose
5. Shri Santasri Chatterjee
6. Shri Thawar Chand Gehlot
7. Shri Munawar Hasan
8. Smt. Sushila Kerketta
9. Shri Mohammad Tahir Khan
10. Shri Virendra Kumar
11. Shri Rajesh Kumar Manjhi
12. Shri Basangouda R. Patil
13. Shri Devidas Pingle
14. Shri Chandra Dev Prasad Rajbhar
15. Shri Mohan Rawale
16. Shri Dhan Singh Rawat
17. Shri Kamla Prasad Rawat
18. Smt. C. S. Sujatha
19. Shri Paras Nath Yadav
20. Vacant
21. Vacant

RAJYA SABHA

22. Chowdhary Mohammad Aslam
23. Shri Rudra Narayan Pany
24. Shri Narayan Singh Kesari
25. Shri K. Chandran Pillai
26. Shri Gandhi Azad
27. Smt. Renubala Pradhan
28. Shri Arjun Kumar Sengupta
29. Vacant
30. Vacant
31. Vacant

SECRETARIAT

- | | | |
|----------------------|---|----------------------------|
| 1. Shri S.K. Sharma | - | Secretary |
| 2. Shri Braham Dutt | - | Joint Secretary |
| 3. Shri R.K. Bajaj | - | Director |
| 4. Shri N.K. Pandey | - | Deputy Secretary |
| 5. Shri Suresh Kumar | - | Senior Executive Assistant |

INTRODUCTION

I, the Chairman of the Standing Committee on Labour having been authorised by the Committee to submit the Report on their behalf, present this Thirty-First Report on the action taken by the Government on the recommendations contained in the Twenty-Ninth Report of the Standing Committee on Labour (Fourteenth Lok Sabha) on Demands for Grants of the Ministry of Textiles for the year 2008-2009.

2. The Twenty-Ninth Report was presented to Lok Sabha and also laid in Rajya Sabha on 22nd April 2008. The Ministry of Textiles furnished their action taken replies on the recommendations contained in the Twenty-Ninth Report on 18 July 2008. The report was considered and adopted by the Standing Committee on Labour at their sitting held on 18.9.2008.

3. An analysis of the action taken by Government on the recommendations contained in the Twenty-Ninth Report of the Standing Committee on Labour (Fourteenth Lok Sabha) is given in Appendix-II.

New Delhi;
September, 2008
Bhadrapada, 1930 (Saka)

SURAVARAM SUDHAKAR REDDY,
CHAIRMAN,
STANDING COMMITTEE ON LABOUR.

CHAPTER-I

REPORT

This Report of the Committee deals with the action taken by the Government on the recommendations contained in the Twenty Ninth Report (Fourteenth Lok Sabha) of the Standing Committee on Labour (2007-08) on Demands for Grants (2008-09) relating to the Ministry of Textiles, which was presented to Lok Sabha on 22nd April, 2008.

2. The Ministry of Textiles were requested to furnish action taken replies to the recommendations contained in the Twenty Ninth Report within three months from the presentation of the Report i.e. by 22nd July, 2008. The action taken replies of the Government in respect of all the 14 recommendations contained in the Report were received on 18 July, 2008. These have been categorized as follows:-

(i) Recommendations/observations that have been accepted by the Government:-

Sl. Nos. 1,2,3,4,7,8,9,11 and 13

(ii) Recommendations/observation which the Committee do not desire to pursue in view of the Government's reply:-

Sl. No. Nil

(iii) Recommendations/observation in respect of which reply of the Government has not been accepted by the Committee:-

Sl. Nos. 5,6 and 14

(iv) Recommendations/observations in respect of which final replies of the Government are still awaited:-

Sl. Nos. 10 and 12

3. The Committee desire that the final replies in respect of the recommendations for which only interim replies have been furnished by the Government should be furnished expeditiously.

4. The Committee will now deal with the action taken by the Government on some of their recommendations which need reiteration or merit comments in the succeeding paragraphs.

A.

NON PLAN EXPENDITURE

Recommendation (Sl. No. 3)

5. The Committee had observed that the position regarding non expenditure was far from satisfactory. The Committee found that in the first of the XI plan period there was a huge variation in Budget Estimates, Revised Estimates and Actual Expenditure. The BE of Rs.983.68 crore was reduced to Rs.813.68 crore at RE stage. An amount of Rs.633.66 crore was actually spent during the first Annual Plan. The reasons for variation in BE and actual spending during the year 2007-08 had been stated that CCI could not purchase cotton at MSP level during the cotton season of the year 2006-07 due to high prices of cotton. This resulted in lesser expenditure during the year 2007-08. The Committee were not convinced with the reasons adduced for non-utilization of funds and felt that it was more due to poor planning and short-sightedness on the part of the Government. The Committee, therefore, desired the Ministry to adopt a scientific approach of forecasting the Budget Estimates for non plan expenditure so as to avoid surrender of huge unutilized amounts and consequential locking of precious financial resources.

6. In their reply, the Ministry has stated that the non-plan budget was reduced to Rs. 813.68 crore at RE stage. The reduction was on account of lesser requirement of funds for MSP-Cotton Operation. MSP operations are to provide security financial cover to cotton growers.

During the year 2007-08, the market ruling prices remained higher than benchmarked MSP benefiting farmers and only 2.22 lakh bales were required to be procured under MSP by Cotton Corporation of India. Hence, the full budgetary allocation was not required.

The Ministry had a system to watch the progress of expenditure on a weekly basis. The non-plan budget proposals are discussed first with the respective heads of the divisions and, thereafter, it is discussed with the officers of the Ministry of Finance (Budget).

7. The Committee are not convinced with the reply of the Government that the under utilization of non plan funds is mainly due to lesser requirement of funds for MSP operations by Cotton Corporation of India. The Committee regret to note that the Ministry could not estimate the actual requirement of funds even at R.E. stage more so when it had a system to watch the progress of expenditure on a weekly basis and non plan budget proposals are thoroughly discussed first with respective heads of divisions and then with the Ministry of Finance. The Committee, therefore, expect the Ministry of Textiles to be more careful at planning stage to have realistic budgetary allocations and strengthen its monitoring and reviewing system relating to utilization of non-plan funds by PSUs/Corporations under its administrative control.

B.

TEXTILE EXPORTS

Recommendation (Sl. No. 4)

8. The Committee had observed that the share of textile imports by USA from India was 5.4 per cent, 5.6 percent and 5.5 per cent respectively during 2005, 2006 and 2007. The share of China in USA's textile import was 24.2 per cent, 27.4 per cent and 31.4 per cent respectively during the corresponding period (2005, 2006 and 2007). The growth rate of US textile imports from India also declined from 25.92 per cent in 2005 to a mere 1.39 per cent in 2007. The exports and their growth rate is also declining with Europe as a whole. The Committee were of the opinion that the appreciation of rupee may be one of the contributory factors hitting textile exports, yet it cannot be attributed to be the sole reason for such a poor performance in textile exports during the last three years as rupee has appreciated vis-à-vis dollar only recently. The other factors responsible were stated to be outdated equipments and processes leading to low productivity, weak infrastructural support like power, transport, berthing etc. Apart from these, high transaction costs, high power tariff, shortage of skilled manpower are other factors stated to be responsible for slow growth of export of textile. In Committee's view a long term and permanent solution will have to be explored to the problems of weak infrastructural support, high transaction cost, power tariff, shortage of skilled manpower etc., if growth of textile export is to be accelerated. The Committee, therefore, strongly recommended that necessary remedial measures including strong infrastructural base, availability of uninterrupted power supply at competitive rates, skilled manpower, tax and duty concessions, liberal bank loans to textile exporters, etc. be taken without any delay so that textile industry can improve its global market share and stand up to the increasing global competitiveness.

9. In their reply, the Ministry has stated that the Government is providing support modernization through financing technological upgradation and to help build global brands for Indian textiles. The Government is implementing various schemes, like the Technology Upgradation Fund Scheme (TUFS) and the Scheme for Integrated Textile Parks (SITP), to enhance the potential of India's textiles industry by equipping it with state of the art technology and world class infrastructure. In addition, the Government is providing financial support under the Market Development Assistance (MDA) and the Market Access Initiative (MAI) Schemes to the textiles sector, through various Textiles Export Promotion Councils, to enable the industry to enhance its share in the global market for textiles.

Various steps have been taken by the Government for the growth of textiles industry, which are as under: -

(i) 100% Foreign Direct Investment is allowed in the textiles sector under the automatic route.

(ii) The Government has de-reserved readymade garments, hosiery and knitwear from the Small Scale Industry (SSI) sector.

(iii) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector. TUFS has been extended beyond 31.3.2007 and has been modified in consultation with the industry and approval of the Competent Authority w.e.f. 1st November 2007. The Scheme is now in operation. For the speedy modernisation of the textiles processing sector, Government has introduced, w.e.f. 20.4.2005, a credit linked capital subsidy scheme @10% under TUFS, in addition to the existing 5% interest reimbursement.

(iv) A new "Scheme for Integrated Textile Parks" has been formulated by merging this "Scheme for Apparel Parks for Exports" and the "Textiles Centre Infrastructure Development Scheme", in order to expand the production base of the textiles and garment sector.

(v) The fiscal duty structure has been generally rationalised to achieve growth and maximum value addition within the country. Except for mandatory excise duty on man-made filament yarns and man-made staple fibres, the whole value addition chain has been given the option of excise exemption.

(vi) The import of specified textiles and garment machinery has been allowed at a concessional rate of customs duty to encourage investment and to make our textiles product competitive in the global market. The cost of machinery has also been reduced through fiscal policy measures.

(vii) The Duty-free import of 21 items of trimmings and embellishment items is allowed to garment exporters. This can be upto 3% of their actual export performance during the previous year.

(viii) In 2004-05 Budget, the entire textile sector, except for man-made fibre and filament yarn was provided optional exemption from excise duty. In 2005-06 Budget, Central Value-added Tax (CENVAT) on Polyester Filament Yarn has been reduced from 24% to 16%. These modifications in fiscal levies aim at attracting more investments for modernization of textile sector.

(ix) To facilitate import of state of the art machinery to make our products internationally competitive in post quota regime, in 2005-06 Budget, the customs duty on textile machinery has been brought down to 10% except 23 machinery appearing in List 49 which attracts Basic Customs Duty (BCD) of 15%. The concessional duty continues to be at 5% on most of the machinery items.

(x) Government has launched the Debt Restructuring Scheme w.e.f. Sept., 2003 with the principal objective to permit banks to lend to the textile sector at 8-9% rate of interest.

(xi) In addition, the Government has introduced, since July'07, several relief measures for Textiles exporters. The measures are as under:

- Duty Entitlement Pass Book (DEPB) rates have been enhanced by 3% for 9 sectors including textiles (also handlooms), Readymade Garments (RMGs) and handicrafts. For other items, DEPB rates have been enhanced by 2%.
- Export Credit Guarantee Corporation (ECGC) premium has been reduced by 10%.
- An amount of Rs.600 crore was released for clearing arrears of Central Sales Taxes (CST) reimbursement and terminal excise duty.
- Duty drawback rates have been enhanced by 10-40% of the existing rates.
- Subvention on credit rate has been allowed upto 4% including interest subsidy of 2%.
- Refund of service tax paid by exporters has been permitted on services linked to export of goods, viz., port services for exports, transport of goods by road from container depot to port of export, general insurance services for insurance of goods for export, technical testing and analysis, agency services, inspection and certification services, storage & warehousing services, and clearing activity services.
- Customs duty on intermediates for Polyester staple fibre and polyester filament yarn has been reduced from 7.5% to 5%.
- Customs duty on paraxylene, a raw material for the intermediate

PTA has been reduced from 2% to 0%.

- Customs duty has been reduced on other man-made filament yarn & staple fibres of acrylic & viscose from 10% to 5%.
- Customs duty has been reduced on spun yarn of man-made staple fibres & filament yarn (other than nylon) from 10% to 5%.
- Customs duty has been reduced on polyester chips from 7.5% to 5%.

Apparel Training Design Centres (ATDCs) have been set up throughout the country to cope up the requirement of skilled / semi-skilled manpower for the textile industry. 39 ATDCs are running in 14 States at present. 33314 persons have been trained in these centres till December 2007. 70 locations have also been identified to open new ATDCs in the first phase of the 11th Five Year Plan. These centres are likely to be operationalised in the academic session of 2008.

10. The Committee are satisfied to note that necessary remedial steps have been taken by the Government for the growth of textile industry particularly to support the exports of textiles such as like exemption from excise duty, concessional rate of customs duty to encourage investment, launching of Debt Restructuring Scheme w.e.f. 2003, enhancement of Duty Entitlement Pass Book rates and Duty drawback rates etc. The Committee while appreciating the launching of its flagship schemes i.e. TUFS and SITP to enhance the potential of Indian textiles industry, feel that concrete specific steps are required to be taken for their fully success so that these schemes become a reality and meet the aspiration of textiles sector. The Committee trust and hope that these steps will enable the Ministry to achieve the desired targets. The Committee would await result of such steps.

C. SCHEME FOR INTEGRATED TEXTILE PARKS (SITP)

Recommendation (Sl. No. 5)

11. The Committee had observed that the Government launched the Scheme for Integrated Textile Parks (SITP) in August 2005, by merging the two existing Schemes viz. Scheme of Apparel Park for Export and the Textile Centres Infrastructure Development Scheme. The Scheme, a public private partnership, is being implemented through Special Purpose Vehicles (SPVs). The industry associations/group of entrepreneurs are the main promoters of SITP. The primary objective of SITP is to facilitate world class infrastructure for setting up textile units. The Government of India provides assistance @ 40 per cent of the project cost subject to ceiling of Rs.40 crore. So far only 30 Textile Parks have been sanctioned (during the Tenth Plan) and out of 50 Textile Parks which were initially considered for development during the Eleventh Plan period only 10 Parks have been taken up in the first instance. Sanction of additional projects have been subjected to completion of critical analysis and evaluation of four projects approved in the year 2005-2006. Although, it is a flagship scheme of the Ministry, the pace of progress in the development of these parks is far from satisfactory. Only one park is fully functional out of 12 projects sanctioned under erstwhile APES, while work in only three projects have been completed out of 18 sanctioned under TCIDS. This itself speaks about the poor functioning of the scheme. No doubt, the entire process of developing a Textile park involves enormous efforts at least till it is sanctioned, yet these formalities and timely development of these parks cannot be protracted on any ground whatsoever more so, when enterprising entrepreneurs and other industrial associations form Special Purpose Vehicle (Promoters of Textile Park) and the assistance of the Government of India is to the tune of 40 per cent of the project cost. The Committee, therefore, strongly recommended that a time bound action plan be drawn up for ensuring that the sanctioned Textile Parks become fully operational as any delay in this regard may not only involve the cost overrun but also run the risk of meeting the same fate which its earlier components, viz. i.e. APES and TCIDS met, besides disenchanting the focused and result oriented entrepreneurs.

12. In their reply, the Ministry has stated that, under the Scheme for Integrated Textiles Parks (SITP), the development of infrastructure is the responsibility of the group of entrepreneurs, who will be putting up their units in the park and will be the actual users of the facilities thus created. Apart from contributing a minimum 60% of the cost of common infrastructure / facilities, these entrepreneurs also make investment for

their individual units. This group of entrepreneurs, thus, has a commitment not only for proper and timely development of necessary infrastructure with appropriate technology, but also for running it properly and effectively in future.

In SITP projects, the entrepreneurs come together and decide their proposed activities upfront. The groups of entrepreneurs take considerable time before making such huge investments. Procurement of land by the SPV and transferring this in its name, conversion of land use, and obtaining statutory clearances take considerable time. But, once these are finalized, the project moves at a faster pace.

Government of India support is released in a phased manner after ensuring appropriate matching contributions by the member entrepreneurs.

The Project Management Consultant (PMC) is helping the SPVs for the speedy implementation of the projects in a professional manner right from formulation of project report to the execution of the project.

Representatives of the Government of India and PMC have been nominated on the Board of Directors of the project SPVs to oversee the execution of projects.

Implementations of the projects are being regularly monitored to ensure timely completion.

13. The Committee find the reply of the Government evasive and entirely unsatisfactory. The Committee note with dismay that the scheme was launched in August 2005 and so far, not a single park has been made fully functional out of the 30 sanctioned under SITP during Xth Plan. The Committee are further constrained to note that the Government has not laid down any time limit for ensuring operationalisation of the sanctioned Textile parks despite involving public money to the tune of 40 percent of the project cost in the form of financial assistance and regularly monitoring the implementation of the projects to ensure timely completion through the Project Management Consultant (PMC) and Board of Directors. The Committee feel that there is need for more active role by the Government and therefore, strongly reiterate their earlier recommendation and desire that the Government should draw a time limit for the group of entrepreneurs/SPVs for making the sanctioned parks fully operational without any further delay.

D. SCHEME FOR INTEGRATED TEXTILE PARKS (SITP)

Recommendation (Sl. No. 6)

14. The Committee had observed that SITP (a flagship scheme of Government of India) aims to develop world class infrastructure for setting up textile units. Entrepreneurs and Industrial Associations have been identified as the main promoter of the Textile Parks but the Scheme loses sight of the fact that besides entrepreneurs and industry it is the worker, weaver, crafts persons who form backbone of the entire chain in the textile sector. The Committee were distressed to note that the Government were disinclined to provide any kind of infrastructural facilities to the groups of artisans, weavers, textile workers, etc. either in the individual capacity or to their representative bodies, Cooperatives, Associations, etc. to enable them to carry out their profession. The response of the Government that interested artisans, weavers may join hands and form a special purpose vehicle to develop a textile park as per their business plan, was not acceptable to the Committee. The Committee, therefore, strongly recommended that infrastructural facilities under SITP should also be made available to the Cooperatives and other representative bodies of the artisans, weavers, textile workers, etc. providing them with an opportunity to contribute their mite in their own way in the development of textile sector. The Committee also recommended that the interest of entire chain of workforce associated with the textile parks should be taken care of as far as their wages, social security coverage and exact money value of their products were concerned.

15. In their reply, the Ministry has stated that the scheme for Integrated Textiles Park (SITP) does not exclude Cooperatives and other representative bodies of the artisans, weavers, textile workers, etc. to develop infrastructural facilities. In fact, Metro Hi Tech Co-operative Textile Park, Pride Cooperative Textile Park and Shri Dhairyashil Mane Textile Park Cooperative Society in Maharashtra are some of the projects being developed by Cooperative Societies. Further, an exclusive Handloom Park, namely Pochampally Handloom Park in Andhra Pradesh is also being developed by Handloom Weavers.

16. The Committee are informed that some of the SITP projects are being developed by Cooperative societies and Handloom weavers. However, no details have been given as to whether these bodies have been given any relaxation in the prescribed guidelines of the scheme and whether any extra financial assistance is being rendered to them. The Committee are of the opinion that the textile workers/weavers/artisans are the backbone of the entire textile sector and their direct involvement in the textile parks is extremely essential for the balanced growth of the sector. Therefore, the Committee reiterate their earlier recommendation and impress upon the Government to encourage such bodies by providing necessary credits at lower rates, incentives and requisite space to them keeping in view their financial constraints. The Committee would like to be apprised about such details at the earliest.

E. TECHNOLOGY UPGRADATION FUND SCHEME (TUFS)

Recommendation (Sl. No. 9)

The Committee had observed that TUFS is a flagship scheme of the Government. The implementation of the scheme has been envisaged through the length and breadth of the country. Although the scheme has picked up in the rest of the country, it is virtually a non-starter in the North-Eastern States of the country. Since the year 2005-06 not even a single paisa has been spent under the scheme in North-Eastern States of the country. This is a lopsided implementation of the scheme and failure of the planning of the Government. The Government has done nothing so far to make the scheme popular in that region of the country. Now the Government proposes to initiate the process of awareness programme for the proper exposure of the scheme there. The Committee welcomed this belated step. The Committee recommended that every step should be taken to popularize the scheme in that region so that not only the compulsory allocation of 10 per cent of the scheme but the previous unspent amount are also spent there for the successful operation of the scheme.

18. In their reply, the Ministry has stated that the scheme is entirely der driven. The design of the scheme is non-discriminatory and all-inclusive. is no cap on projects under the scheme. The major reason behind non- utili: of TUFS funds in North-Eastern region is that it is not a textile region. Th neither easy availability of raw materials nor markets exist for s: production.

19. The Committee are not satisfied with the response of the Government as the TUFS has been a complete non starter in the North Eastern region and no funds have been spent under it since the year 2005-06. Considering the distinct identity of clothing pattern in North Eastern States and the need to explore scope for production of Handicraft/Handloom items as per the raw material available in that region, the Committee, once again, strongly recommend that the Government should play pro active role in the implementation of TUFS in that part of the country by launching region specific awareness programmes, ensuring easy availability of raw material and creating market place for sale of finished products in the region.

F. HEALTH INSURANCE SCHEME FOR HANDLOOM WEAVERS

Recommendation (Sl. No. 10)

20. The Committee had noted that 'Health Insurance Scheme' for handloom weavers was launched in the year 2005 with the ICICI Lombard General Insurance Company Limited as the implementing agency of the scheme. 1 lakh weavers have been covered till date under the Insurance Scheme. Regarding pending cases for settlement under the scheme, it had been stated that 12,572 cases involving Rs.3.38 crore are still to be settled. The present Health Insurance Scheme does not provide coverage for critical illness of the weavers. On being enquired on this aspect, it had been stated that the proposal for covering critical illness was placed before the EFC on 5 July 2007 while considering the Handloom Weavers Comprehensive Welfare Scheme. It was suggested that this could be covered under a new scheme to be launched by LIC and negotiations are going on with LIC as to the rate of premium payable to LIC by the Ministry. For the purpose of covering general ailments and critical illness, the engagement of two separate insurance companies defies all logic. It will be more appropriate if only one insurance company, preferably LIC, is entrusted with the responsibility of covering both kinds of ailments i.e. General Ailment and Critical Illness. The Committee, therefore, recommended that the appropriate steps be taken in this regard. The Committee further recommended that immediate steps be taken to settle all the pending cases of claims under the scheme and develop a proper mechanism to make the process of claim settlement quick and hassle-free in future.

21. In their reply, the Ministry has stated that the critical illness cover was proposed to be included under Health Insurance Scheme under the new Handloom Weavers Comprehensive Welfare Scheme (HWCWS) of the 11th Plan, as there was a demand to provide extra benefits to cover seven critical illnesses. The limit of such illness was proposed as Rs.30,000/- i.e. double the limit of Rs.15,000/- per family.

This proposal was discussed in the EFC meeting held on 5.7.2007. During the discussions, Ministry of Finance (Financial Services) felt that a provision for critical illness need not be kept as part of the Health Insurance Scheme as LIC will be offering a similar product at a much cheaper cost within next month. Therefore, coverage of critical illnesses under the Health Insurance Scheme was not accepted by the EFC and it was decided that this could be covered under the new scheme to be launched by the Life Insurance Corporation. In line with this decision, the issue of critical illness cover was taken up with the LIC. Initially, LIC

proposed that the premium for critical illness will be fully paid by the Ministry @ Rs.4/-per thousand for a maximum cover of Rs.30,000/-. The LIC was requested to consider lowering the premium. However, LIC vide their letter-dated 5.3.2008 proposed an even higher rate of Rs.8/-to Rs.10/-per thousand for a maximum cover of Rs.30,000/-. Therefore, LIC was again requested to reconsider their earlier quote of Rs.4/-per thousand or lesser to enable consideration of their proposal.

Now the LIC has given a final quote of Rs.4/-per thousand for a maximum cover of Rs.30,000/-provided the premium charged for critical illness cover will be fully paid by the Ministry with the caveat that in case of claim over premium, the loss will be made good by the Ministry. The proposal is under examination.

As regards the pending claims under Health Insurance Scheme, it is stated that as per the report furnished by the ICICI Lombard, there were 12572 claims pending amounting to Rs.3.38 crore up-to February 2008. As per the report up to March 2008, there are only 6866 claims pending amounting to Rs. 2.63 crore. From this it may be seen that the pending claims are being settled. However, the ICICI Lombard has been advised to settle the remaining claims also. The Government of India is reviewing the implementation of the scheme regularly at the Central level as well as at the State level.

22. The Committee regret at the slow progress on this score and desire that the Ministry should make sincere and all-out efforts towards the finalisation of the scheme of LIC under examination, by coordinating with the Ministry of Finance and LIC expeditiously. They would like to be apprised of the time schedule by which the Ministry expects to start the proposed scheme. The Committee find that the reply of the Government is also silent on the Committee's recommendations regarding devising a proper mechanism to make the process of claim settlement quick and hasslefree. The Committee expect that the settlement of pending claim cases would be expedited and a definite time period fixed in this regard.

G. MAHATMA GANDHI BUNKAR BIMA YOJNA (MGBBY)

Recommendation (Sl. No. 12)

23. The Committee were distressed to note that despite repeatedly stressing the need to raise the upper age limit from 58 to 70 for coverage under MGBBY, the Government was not taking up the issue with the seriousness it deserves. It was simply quoting the replies of LIC which are evasive in nature to shirk its responsibility. The Government had stated that the matter was taken up with the Ministry of Finance and LIC. The LIC informed that for raising the age limit the premium would be Rs.1,650/- per weaver. Since the premium was very high, the Ministry of Finance and the LIC were again and again requested to reduce the premium. It had also been stated that at present the annual premium for the weaves in the age group of 18 to 59 years is Rs.330/- per weaver per annum. The premium proposed by the LIC for the age group between 60-70 years is Rs.1,500/- per annum. The Committee were not convinced by the logic of Insurance Company and the Ministry of Finance as it is prima-facie untenable. Going by this yardstick there was no justification for keeping a uniform premium for beneficiaries of all ages i.e. 18 to 58 years as mortality rate in the lower age group of the beneficiaries is far less than in the higher age group. Hence, the rate of premium should be structured accordingly in the light of the perceived mortality rate for different age groups of beneficiaries. Therefore, high rate of premium for beneficiaries of 59 to 70 years does not hold any ground. The Committee, therefore, strongly recommended that the issue of increasing the age of weavers from 58 to 70 years for the purpose of coverage under insurance be immediately decided without any further delay. Being a public sector company, LIC should not shirk its social responsibility towards the handloom workers who are from the poor section of the society. However, the Government may, if necessary, create a fund to indemnify LIC in case the claim outgo of LIC in this segment (i.e between 59 to 70 years) is more than the premium collected by the company.

24. In their reply, the Ministry has stated that The matter regarding raising upper age limit under the Mahatma Gandhi Bunkar Bima Yojana was taken up with the LIC. The premium proposed by the LIC for the age group between 60 and 70 years was Rs.1500/- per annum. Since this premium was very high LIC was requested to lower the premium. Now the LIC has given two options for lowering the premium as under:

A premium of Rs.1,000/- per person will be charged for the persons aged above 59 years with the caveat that in case of claim over premium, the loss will be made good by the Ministry. Alternatively, a premium of Rs.450/- be paid for all the persons being covered under MGBBY (age group 18 to 69). The matter is under examination.

25. The Committee are happy to note that there has been some progress with regard to raising the upper age limit from 58 to 70 years for providing insurance coverage to weavers under MGBBY. The Committee desire that expeditious steps should be taken by the Government by taking up the matter with LIC to reach at a conclusion within a definite time frame. The Committee also desire to be apprised of the outcome at the earliest.

H. FASHION HUBS

Recommendation (SI. No. 14)

26. The Committee had taken note of the fact that Government propose to set up 'Fashion Hubs' with a view to strengthen the entire textile value chain and to provide an interface between the stakeholders by creating a permanent market place for the Indian Fashion Industry. It would also serve as a single stop fashion business point, showcasing Indian fashion trends, craftsmanship and design legacy of India. It would also involve strengthening of the entire supply chain which would include establishing, backward linkages with suppliers. However, it appeared that the entire plan is still in conceptual stage as the Ministry itself was not aware of the availability and the cost of the land. The size of land and cost would determine the facilities to be created and also the methodology of the operation of the entire project. The concept of creation of 'Fashion Hub' is laudable as it will help in the generation of employment opportunities in addition to displaying the skills and talents of Indian crafts persons and providing them an opportunity to create a niche for themselves in the global arena. The Committee, therefore, urged upon the Government to take all necessary steps for establishing the 'Fashion Hub' at the earliest. If feasible, land for fashion hub may either be acquired through outright purchase by the Government or a private agency or may be taken on lease from private parties or such land owners may be associated as partners with specific percentage of their shareholding in the project. Search of land cannot be prolonged indefinitely lingering on the project for want of land from Government agencies.

27. In their reply, the Ministry has stated that the Government proposes up 'Fashion Hubs' with a view to strengthen the entire textiles value chain to provide an interface between the stakeholders by creating a permanent market place for the Indian Fashion Industry. It would also serve as a single stop fashion business point, showcasing Indian fashion trends, craftsmanship and design legacy of India. It would also involve strengthening of the supply chain which would include establishing, backward linkages with suppliers. However, the entire plan is still in conceptual stage as the Ministry is not aware of the availability and the cost of land. The size of land and cost would determine the facilities to be created and also the methodology of operation of the entire project. The concept of creation of 'Fashion Hub' is laudable as it will help in generation of employment opportunities in addition to displaying the skills and talents of Indian crafts persons and providing them

opportunity to create a niche for themselves in the global arena. Sea land has prolonged indefinitely on the project for want of land Government agencies.

28. The Committee regret to note that although about half of the financial year has gone by but the Government has still not been able to identify the land for setting up of a 'Fashion Hub' in Delhi. The Committee are of the opinion that the concept of creation of 'Fashion Hub' is laudable as it will help in the generation of employment opportunities besides displaying the skills and talents of Indian craftsmen, and therefore, this project should not be prolonged indefinitely on account of search for land. The Committee, therefore, reiterate their earlier recommendation and desire that the Ministry should make all out efforts to finalise the land for these projects in Delhi as well as in the other parts of the country, at the earliest. For Delhi, the Government can explore possibilities of getting land anywhere in NCR keeping in view its availability as compared to the main city area. For rest of the country, the States with comparatively larger production of textile items, can be identified and made partners. Thus, the involvement of the interest of the States would definitely expedite the land acquisition process all over the country.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Sl. No. 1)

The scrutiny of Demands for Grants of the Ministry of Textiles reveals that the total outlay of Rs. 2,500 crore for the year 2008-09 shows an increase of 177 crore rupees over the allocation of Rs. 2,323 crore for the year 2007-08. However, the total expenditure during the year has been Rs.2,228 crore (provisional) leaving an unspent amount of Rs. 95 crore. The reasons for under utilization of the allocation have been stated to be that during the first year of the new Five Year Plan, the utilisation of planned fund is generally low as many schemes were required to be firmed up. All the major schemes in the VSE sector were also re-structured and hence required fresh approval from the competent authority. Launching of new schemes take a reasonable time, users takes substantial time to understand the benefits of the programmes, acceptance of the programmes by the targeted beneficiaries also requires time. It has also been stated that the Ministry is making concerted efforts to improve the plan expenditure so as to utilize maximum budget allocation. The Committee observe that the overall expenditure is satisfactory yet there has been withdrawal, modification and merger of schemes with other schemes in handlooms and handicrafts sectors now forming part of VSE sector. The Committee feel that the modification in the existing schemes hampers the pace of expenditure as it involves completion of fresh procedural formalities. The Committee also stressed earlier that developmental and welfare schemes of the textile sector should be selected carefully after thorough study involving past experiences, ground realities and future needs. The Committee, therefore, strongly recommend that developmental schemes of the textile sector should be drawn up keeping all the factors in view. This will help not only the proper and adequate utilization of funds but will also be successful in achieving the targets set out under the schemes and benefiting the targeted group.

Reply of the Government

The suggestion of the Hon'ble Committee has been noted for compliance. The Ministry has subsequently revised the actual plan expenditure figure for the year 2007-08 to Rs.2210.69 crore. As per the revised figures, the

total savings for the year 2007-08 is Rs.112.31 crore out of which Rs.93.45 crore had been surrendered to the Ministry of Finance before March 31, 2008 and the balance amount had lapsed. Out of the total surrender of Rs.93.45 crore, Rs.78.21 crore was in respect of the funds earmarked for the North East Regions – Technology Upgradation Funds Scheme (TUFS) – Rs.34.00 crore, Scheme for Integrated Textiles Park (SITP) – Rs.25.00 crore, Technology Mission on Cotton (TMC) – Rs.10.00 crore and Handicrafts – Rs.9.21 crore. There was no demand from the North East for assistance under TUFS and SITP. As there was no cotton cultivation in the North East, no funds could be spent in the North East under Technology Mission on Cotton.

As there is no scope for incurring any expenditure under TUFS and TMC in the North East, the Ministry has requested the Planning Commission and the DoNER to exempt these schemes from the 10% mandatory earmarking for the North East so that the entire allocation for these schemes could be spent in areas other than the North East where there is un-met demand for assistance. Concerted efforts are being made to fully utilize the plan fund through close and regular monitoring of the performance. Such monitoring is necessary for identification of constraints, if any, and also timely introduction of corrective measures in implementation. Keeping this in view, the following steps have been taken/ proposed to be taken for further improving utilisation of the plan outlays and for improvement of the schemes, directed towards benefiting the targeted group:

- The Ministry of Textiles had already sponsored the evaluation of the major plan schemes. Continuation of schemes from the 10th Plan to the 11th Plan had been supported by in-depth and independent evaluation reports.
- The schemes of the handlooms and handicrafts sectors have been appropriately modified by adding new components, dropping some components and at the same time enlarging the scope of some of the existing components. Modifications/restructuring of the schemes or their components, wherever required, were carried out after assessing its need through evaluation studies, and keeping in mind the need for the overall development of the sector. However, while reducing the number of schemes, efforts have been made to retain all the essential and basic requirements of weavers and artisans. In order to make the implementation more effective and to improve plan expenditure, guidelines are being revised & monitoring systems are being further strengthened and broad based.

- Review of the progress of physical and financial targets in respect of the schemes is being held at the meetings of the Senior Officers' (SOM's) of the Ministry chaired by the Secretary (Textiles). These are organised on a weekly basis. These meetings are in addition to various fora at which the review of the Plan schemes is undertaken. For example, periodical review reports are furnished to the Planning Commission. Further, Planning Commission takes the Performance Review Meeting on half-yearly and yearly basis of the various schemes being implemented by the Ministry of Textiles. In such meetings, representatives from State Governments and implementing agencies are also called for discussions.
- Eight Project Management Consultants (PMCs) have been engaged for the implementation of the Scheme for Integrated Textile Parks (SITP) across the country including NER. The PMC submits progress reports to the Ministry of Textiles. On the basis of the progress report submitted by the PMCs, the Project Approval Committee(PAC), chaired by Secretary (Textiles), regularly reviews implementation, and milestones are set for each project sanctioned under the scheme
- The Ministry of Textiles has made some modifications to increase the Central assistance for NER under SITP so that the entrepreneurs of the NER may be interested to establish Textile Parks in their region. During the Eleventh Plan period, for the two projects in NER, the contribution of Government of India has been enhanced to 90 per cent of the project cost subject to a ceiling of Rs.40.00 crore.
- An online project proposal monitoring system has been introduced for Handicrafts schemes and TUFs. Time schedules for processing/ disbursement at each stage have also been prescribed. This web-based system has been made accessible to public as well, in order to enable them see the status of processing of their proposal. In case of TUFs, the nodal banks were requested to strengthen their TUFs cells. This will help in effective monitoring of disbursement of loans by banks as well as subsidisation by Government to individual units.
- Developmental schemes of the ministry are designed and implemented on the basis of the past experience, recommendations of evaluation reports and suggestions of Planning Commission. The major thrust of these schemes is to address the needs of weavers and artisans leading to their empowerment, capacity building of artisans, Self Help Groups (SHGs) and entrepreneurs, etc. and to promote investment and technology up-gradation in the

textile sector. The various schemes are designed in such a way as to achieve these objectives.

- Efforts are being made to create awareness about the schemes and related requirements through workshops (local and regional), marketing events, training, national & special Expos, district level events, craft mela, international fairs etc. These activities are directed towards proper and adequate utilization of funds so as the maximum benefit of the welfare and developmental scheme reach the targeted groups. Further, the recommendations of the Committee regarding achieving the targets fixed and maintaining proper pace of expenditure have been taken note of for compliance.

(Ministry of Textiles O.M. No. 2(8)/2008-Parl, dated 18.07.2008)

Recommendation (Sl. No. 2)

The Committee note that the percentage of expenditure in each of the four quarters of the year 2007-08 is extremely skewed. Financial rules of the Government clearly stipulate the spreading of expenditure evenly over the four quarters and bars the undue utilization of funds in the last quarter of the year. However, on close scrutiny of the progressive quarterly figures, the Committee find that the actual quarterly expenditure under various Plan schemes have been 0.28% in the first quarter, 34.74% in the second quarter, 66.81% in the third quarter and only 82.02% (upto 17 March 2008) in fourth quarter. The reasons for uneven expenditure in every quarter are stated to be non-receipt of bills during the first quarter, delay in approval of schemes, restrictions on advance payment etc. The Committee are not at all inclined to accept the explanation given by the Ministry in this regard. The Committee in their earlier reports also stressed the need to spread the expenditure evenly during each quarter of the year, but it seems that recommendations of the Committee have not been taken seriously. The Committee are of the opinion that uneven distribution of funds directly affects the functioning of developmental and welfare schemes and consequently the growth of the sector is hampered. The Committee, therefore, recommend that all the foreseeable hurdles in the even spending of allocations during each of the four quarters of a year should be taken into account alongwith the preventive measures before announcing any scheme for implementation. The monitoring system of the Ministry also needs to be toned up to ensure that expenditure on a scheme is incurred as planned during every quarter of the year

Reply of the Government

The suggestion of the Hon'ble Committee has been noted for compliance. As of now, all the major schemes of the Ministry have already been approved by the Expenditure Finance Committee (EFC)/ Cabinet Committee on Economic Affairs (CCEA). The budget allocated has been distributed in all the schemes. There will not be any delay in implementing the schemes right from the beginning of the financial year. Further, all out efforts are being made for evenly spending of funds during each quarter of the current financial year (2008-09). As against the BE of Rs. 2500 crore, plan expenditure during the first quarter of the current financial year, i.e April-June(up to 9.6.2008) is Rs.941.03 crore showing 37.64 percent utilisation. Following steps are being taken to ensure evenly spending of funds and to achieve set plan expenditure during each of four quarters of the current financial year:

- Concerted efforts have been made to ensure effective implementation of all the development schemes in letter and spirit and to ensure that the plan expenditure fixed for each quarter of the financial year 2008-09 is achieved. Along with the progress of physical and financial targets in respect of the schemes, the expenditure is regularly monitored in the weekly Senior Officers' Meeting (SOM's) chaired by Secretary (Textiles) & in-house review meetings for the various schemes.
- Efforts are also being made for timely submission of project proposals of schemes wherever it is required so as to ensure timely and even spending of funds.
- The monitoring of the implementation of the projects sanctioned in different schemes is being regularly conducted. The field officers are being instructed to increase the pace of inspections for effective implementation of the schemes and based on their report, the grant is released or curtailed.
- While all possible efforts are being taken to streamline the phasing expenditure quarterly, there may be possibility of some slight deviations under some schemes, like TUFs, SITP etc., as these are demand driven.

(Ministry of Textiles O.M. No. 2(8)/2008-Parl, dated 18.07.2008)

Recommendation (SI. No. 3)

The Committee observe that the position regarding non-plan expenditure is also far from satisfactory. The Committee find that in the first year of the XI plan period there is a huge variation in Budget Estimates, Revised Estimates and Actual Expenditure. The BE of Rs.983.68 crore was reduced to Rs.813.68 crore at RE stage. An amount of Rs.633.66 crore was actually spent during the first Annual Plan. The reasons for variation in BE and actual spending during the year 2007-08 has been stated that CCI could not purchase cotton at MSP level during the cotton season of the year 2006-07 due to higher prices of cotton. This resulted in lesser expenditure during the year 2007-08. The Committee are not convinced with the reasons adduced for non-utilization of funds and feel that it is more due to poor planning and short-sightedness on the part of the Government. The Committee, therefore, desire the Ministry to adopt a scientific approach of forecasting the Budget Estimates for non-plan expenditure so as to avoid surrender of huge unutilized amounts and consequential locking of precious financial resources.

Reply of the Government

The non-plan budget was reduced to Rs. 813.68 crore at RE stage. The reduction was on account of lesser requirement of funds for MSP-Cotton Operation. MSP operations are to provide security financial cover to cotton growers.

During the year 2007-08, the market ruling prices remained higher benchmarked MSP benefiting farmers and only 2.22 lakh bales were required to be procured under MSP by Cotton Corporation of India. Hence, the budgetary allocation was not required.

The Ministry had a system to watch the progress of expenditure on a weekly basis. The non-plan budget proposals are discussed first with the respective heads of the divisions and, thereafter, it is discussed with the officers of the Ministry of Finance (Budget).

(Ministry of Textiles O.M. No. 2(8)/2008-Parl, dated 18.07.2008)

Comments of the Committee

(Please see Para No. 7 of Chapter-I of the Report)

Recommendation (SI. No. 4)

The Committee observe that the share of textile imports by USA from India was 5.4 per cent, 5.6 percent and 5.5 per cent respectively during 2005, 2006 and 2007. The share of China in USA's textile import was 24.2 per cent, 27.4 per cent and 31.4 per cent respectively during the corresponding period (2005, 2006 and 2007). The growth rate of US textile imports from India also declined from 25.92 per cent in 2005 to a mere 1.39 per cent in 2007. The exports and their growth rate is also declining with Europe as a whole. The Committee are of the opinion that the appreciation of rupee may be one of the contributory factors hitting textile exports, yet it cannot be attributed to be the sole reason for such a poor performance in textile exports during the last three years as rupee has appreciated vis-à-vis dollar only recently.

The other factors responsible have been stated to be outdated equipments and processes leading to low productivity, weak infrastructural support like power, transport, berthing etc. Apart from these, high transaction costs, high power tariff, shortage of skilled manpower are other factors stated to be responsible for slow growth of export of textile. The Committee are of the opinion that a long term and permanent solution will have to be explored to the problems of weak infrastructural support, high transaction cost, power tariff, shortage of skilled manpower etc., if growth of textile export is desired to be accelerated. The Committee, therefore, strongly recommend that necessary remedial measures including strong infrastructural base, availability of uninterrupted power supply at competitive rates, skilled manpower, tax and duty concessions, liberal bank loans to textile exporters, etc. be taken without any delay so that textile industry can improve its global market share and stand up to the increasing global competitiveness.

Reply of the Government

The Government is providing support modernization through financing technological upgradation and to help build global brands for Indian textiles. The Government is implementing various schemes, like the Technology Upgradation Fund Scheme (TUFS) and the Scheme for Integrated Textile Parks (SITP), to enhance the potential of India's textiles industry by equipping it with state of the art technology and world class infrastructure. In addition, the Government is providing financial support under the Market Development Assistance (MDA) and the Market Access Initiative (MAI) Schemes to the textiles sector, through various Textiles Export Promotion Councils, to enable the industry to enhance its share in the global market for textiles.

Various steps have been taken by the Government for the growth of textiles industry, which are as under: -

(i) 100% Foreign Direct Investment is allowed in the textiles sector under the automatic route.

(ii) The Government has de-reserved readymade garments, hosiery and knitwear from the Small Scale Industry (SSI) sector.

(iii) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector. TUFS has been extended beyond 31.3.2007 and has been modified in consultation with the industry and approval of the Competent Authority w.e.f. 1st November 2007. The Scheme is now in operation. For the speedy modernisation of the textiles processing sector, Government has introduced, w.e.f 20.4.2005, a credit linked capital subsidy scheme @10% under TUFS, in addition to the existing 5% interest reimbursement.

(iv) A new "Scheme for Integrated Textile Parks" has been formulated by merging this "Scheme for Apparel Parks for Exports" and the "Textiles Centre Infrastructure Development Scheme", in order to expand the production base of the textiles and garment sector.

(v) The fiscal duty structure has been generally rationalised to achieve growth and maximum value addition within the country. Except for mandatory excise duty on man-made filament yarns and man-made staple fibres, the whole value addition chain has been given the option of excise exemption.

(vi) The import of specified textiles and garment machinery has been allowed at a concessional rate of customs duty to encourage investment

and to make our textiles product competitive in the global market. The cost of machinery has also been reduced through fiscal policy measures.

(vii) The Duty-free import of 21 items of trimmings and embellishment items is allowed to garment exporters. This can be upto 3% of their actual export performance during the previous year.

(viii) In 2004-05 Budget, the entire textile sector, except for man-made fibre and filament yarn was provided optional exemption from excise duty. In 2005-06 Budget, Central Value-added Tax (CENVAT) on Polyester Filament Yarn has been reduced from 24% to 16%. These modifications in fiscal levies aim at attracting more investments for modernization of textile sector.

(ix) To facilitate import of state of the art machinery to make our products internationally competitive in post quota regime, in 2005-06 Budget, the customs duty on textile machinery has been brought down to 10% except 23 machinery appearing in List 49 which attracts Basic Customs Duty (BCD) of 15%. The concessional duty continues to be at 5% on most of the machinery items.

(x) Government has launched the Debt Restructuring Scheme w.e.f. Sept., 2003 with the principal objective to permit banks to lend to the textile sector at 8-9% rate of interest.

(xi) In addition, the Government has introduced, since July'07, several relief measures for Textiles exporters. The measures are as under:

- Duty Entitlement Pass Book (DEPB) rates have been enhanced by 3% for 9 sectors including textiles (also handlooms), Readymade Garments (RMGs) and handicrafts. For other items, DEPB rates have been enhanced by 2%.
- Export Credit Guarantee Corporation (ECGC) premium has been reduced by 10%.
- An amount of Rs.600 crore was released for clearing arrears of Central Sales Taxes (CST) reimbursement and terminal excise duty.
- Duty drawback rates have been enhanced by 10-40% of the existing rates.
- Subvention on credit rate has been allowed upto 4% including interest subsidy of 2%.
- Refund of service tax paid by exporters has been permitted on

services linked to export of goods, viz., port services for exports, transport of goods by road from container depot to port of export, general insurance services for insurance of goods for export, technical testing and analysis, agency services, inspection and certification services, storage & warehousing services, and clearing activity services.

- Customs duty on intermediates for Polyester staple fibre and polyester filament yarn has been reduced from 7.5% to 5%.
- Customs duty on paraxylene, a raw material for the intermediate PT been reduced from 2% to 0%.
- Customs duty has been reduced on other man-made filament yarn & staple fibres of acrylic & viscose from 10% to 5%.
- Customs duty has been reduced on spun yarn of man-made staple fibres & filament yarn (other than nylon) from 10% to 5%.
- Customs duty has been reduced on polyester chips from 7.5% to 5%.

Apparel Training Design Centres (ATDCs) have been set up throughout the country to cope up the requirement of skilled / semi-skilled manpower for the textile industry. 39 ATDCs are running in 14 States at present. 33314 persons have been trained in these centres till December 2007. 70 locations have also been identified to open new ATDCs in the first phase of the 11th Five Year Plan. These centres are likely to be operationalised in the academic session of 2008.

Details of the courses offered by ATDC are given below:-

S. No.	Name of Course	Eligibility	Duration of the
1.	Diploma in Apparel Manufacturing Technology	12 th Std	1 Year
2.	Diploma in Knit Garment Manufacturing Technology	12 th Std	1 Year
3.	Diploma in Fashion Sampling / Co-ordination	12 th Std	1 Year
4.	Diploma in Textile Design	12 th Std	1 Year
5.	Production Supervision & Quality Control Course	12 th Std	6 Months

5.	Production Supervision & Quality Control Course	12 th Std	6 Months
6.	Textile Appreciation Course	12 th Std	6 Months
7.	Pattern/Cutting Master Course	10 th Std.	6 Months
8.	Machine Mechanic Course	10 th Std.	4 Months
9.	Garment Construction Course	10 th Std.	4 Months
10.	Sewing Machine Operator Course	8 th Std.	3 Months
11.	Measurement & Quality Control Course	10 th Std.	3 Months
12.	Apparel Merchandising	Graduation / Diploma in AMT	3 Months

(Ministry of Textiles O.M. No. 2(8)/2008-Parl, dated 18.07.2008)

Comments of the Committee

(Please see Para No. 10 of Chapter 1 of the Report)

Recommendation (Sl. No. 7)

The Committee observe that Technology Upgradation Fund Scheme was launched to make funds available to the domestic textile industry to upgrade the technology of existing units and to set up new units with the state-of-the-art technology to enhance competitiveness in the domestic and the global market. Initially, the scheme was scheduled to be phased out on 31 March 2007. However, due to the demand and satisfactory working of the scheme it has been extended beyond 31 March 2007. There is an Inter-Ministerial Steering Committee (IMSC) to monitor and review the functioning of TUFs. Meetings of the IMSC are held every quarter to assess the functioning of TUFs. However, the meeting of IMSC was last held in the month of July 2006 and reasons for not convening the meeting thereafter has been stated that, at the fag end of the operation of scheme there was no need to carry out any other modification in the parameters

of the scheme hence no meeting was held. It has also been stated that constitution of both the, Working Group constituted by the Planning Commission on Textile and Jute Industry and the IMSC are similar. Since the Working Group had gone into details of the impact of operation of scheme and recommended the thrust areas for the future growth of the sector, the revised parameters were accordingly drafted in line with its recommendations. To avoid the duplicity of the work, the meeting of IMSC was not called. The logic put forth by the Government is far from convincing as there was a gap of more than eight months for the closure of the scheme since the last meeting of the IMSC. Moreover, it was also decided much before that the scheme will continue to be in operation even after March 2007. Even the parameters of the scheme were also modified on the recommendation of the Working Group completely sidelining the IMSC. The Committee do not find any justification in keeping two Governmental bodies viz. IMSC and Working Group of Planning Commission on Textiles and Jute Industry to review the functioning of TUFS when both these bodies are represented more or less by same members. This is a futile exercise wasting time and money besides delaying the timely decision on TUFS. The Committee, therefore, strongly recommend that a clear and well thought out strategy be formulated for the operation of the scheme. Instead of loading TUFS with unwieldy bodies to review its functioning, a lean, expert and focused Committee of professionals be constituted to keep a tab on the scheme and suggest modifications whenever and wherever essential.

Reply of the Government

In this regard it may be mentioned that the Working Group of Planning Commission on Textiles and Jute Industry had a limited tenure confined only to offer recommendations regarding strategies to be adopted during the 11th Plan period to meet challenges of the Indian textiles industry so that its growth and development may be ensured. After the acceptance of the recommendations of the Working Group by the Government, the work of the Working Group is complete and it is now not in the existence. The IMSC under the TUFS has been duly reconstituted by incorporation of new members to suit the needs of the scheme during the 11th Plan period.

(Ministry of Textiles O.M. No. 2(8)/2008-Parl, dated 18.07.2008)

Recommendation (SI. No. 8)

The Committee note that TUFs was introduced to provide financial assistance in the form of interest payment on the loans taken by entrepreneurs to upgrade the technology of their textile units. For the purpose, the budgetary provision of Rs. 1,140 crore have been made for the year 2008-09. On the question of sufficiency of allocation, it has been stated that the budgetary allocation of Rs. 1,140 crore will be inadequate to meet the requirements of the scheme. However, at this stage, the Ministry of Finance is expected to provide more funds on the line which was done in the year 2007-08. It has also been stated that there is still a backlog of approximately Rs. 1,149.96 crore and BE allocation for the year 2008-09 is not sufficient to meet even the spill over of the previous year. The Committee observe that there is some serious malfunctioning in the planning and operation of TUFs otherwise the backlog could not have mounted to such an astronomical figure surpassing the budgetary allocation for the year 2008-09. If the backlog is not cleared immediately the scheme may lose its sheen and it will become laggard. The Ministry has also received letters from the textile units complaining that huge amount of subsidy under the scheme still remains unpaid. The Committee, therefore, urge upon the Government that since the results of the scheme are encouraging, sufficient funds should be allocated to clear the backlog and keep the momentum going.

Reply of the Government

In this regard, it may be mentioned that the TUF scheme is demand-driven. There is no cap on the funding of the projects under this scheme. It is all India applicable and also includes all the textiles segments, except synthetics. These features make this scheme very attractive. On account of phasing out of textile quotas in developed countries followed by conducive policy measures taken by the Government, the investment climate in the textile sector after the years 2003-04 became extremely attractive. As a result, the demand under the scheme increased tremendously. This has to be seen as a positive functioning of the scheme and not as a malfunctioning. Though this has led towards a mismatch between budgetary provisions under the scheme and the needs, Government has successfully cleared a major portion of the backlog. It is expected that break-even will be achieved by the next financial year.

(Ministry of Textiles O.M. No. 2(8)/2008-Parl, dated 18.07.2008)

Recommendation (Sl. No. 9)

The Committee observe that TUFSS is a flagship scheme of the Government. The implementation of the scheme has been envisaged through the length and breadth of the country. Although the scheme has picked up in the rest of the country, it is virtually a non-starter in the North-Eastern States of the country. Since the year 2005-06 not even a single paisa has been spent under the scheme in North-Eastern States of the country. This is a lopsided implementation of the scheme and failure of the planning of the Government. The Government has done nothing so far to make the scheme popular in that region of the country. Now the Government proposes to initiate the process of awareness programme for the proper exposure of the scheme there. The Committee welcome this belated step. The Committee recommend that every step should be taken to popularize the scheme in that region so that not only the compulsory allocation of 10 per cent of the scheme but the previous unspent amount are also spent there for the successful operation of the scheme.

Reply of the Government

In this regard, it may be mentioned that the scheme is entirely demand-driven. The design of the scheme is non-discriminatory and all-inclusive. There is no cap on projects under the scheme. The major reason behind non- utilisation of TUFSS funds in North-Eastern region is it that is not a textile region. There is neither easy availability of raw materials nor markets exist for sale of production. However, the suggestions of the Committee have been noted for compliance.

(Ministry of Textiles O.M. No. 2(8)/2008-Parl, dated 18.07.2008)

Comments of the Committee

(Please see Para No. 19 of Chapter 1 of the Report)

Recommendation (Sl. No. 11)

The Committee note that a new scheme named Handlooms Weavers Comprehensive Welfare Scheme has been initiated with Mahatma Gandhi Bunkar Bima Yojana becoming one of its components. The Committee is happy to note that various benefits under the scheme has been substantially enhanced for the benefit of the weavers, yet the coverage of weavers under the scheme remains an area of concern. As per the census of 1995-96 the approximate number of weavers is more than 65 lakh. This census is more than 12 years old and hence does not reflect the correct number of the weavers in the country as on date. So far only 9.87 lakh weavers of 18 States have been covered under Mahatma Gandhi Bunkar Bima Yojana. This number is just inadequate. The raise in the benefits will not be meaningful unless it reaches all the intended beneficiaries by bringing them within the insurance coverage. Regarding coverage of weavers from all the States it has been stated that they are eligible for the benefit of the scheme and LIC has been requested to cover weavers from all the States. All State Governments have also been advised to enroll maximum number of weavers of their States under this Scheme. This is only a perfunctory approach and do not reflect the seriousness of the issue it merits. The Committee, therefore, strongly recommend that special drives should be launched to identify the weavers and cover them under Insurance Scheme in all those States which are hitherto uncovered. Efforts should be intensified to identify the weavers for the purpose of coverage in the rest of States so that maximum number of weavers can be brought within the fold of Insurance coverage under Mahatma Gandhi Bunkar Bima Yojana

Reply of the Government

The Government of India has been making strenuous efforts to enroll the maximum possible number of weavers under the Mahatma Gandhi Bunkar Bima Yojana (MGBBY). LIC and State Governments have been advised to generate awareness amongst the local weaver population about the scheme. Many publicity campaigns and awareness camps are being held through the field offices for maximizing enrolments. During the State Director meeting held on 30.4. 2008, all the State Governments as well as LIC were advised to ensure higher enrolment under MGBBY from all the States.

(Ministry of Textiles O.M. No. 2(8)/2008-Parl, dated 18.07.2008)

Comments of the Committee

(Please see Para No. 25 of Chapter 1 of the Report)

Recommendation (Sl. No. 13)

The Committee take note of the fact that National Institute of Fashion Technology was set up as an apex body of human resource development for textile garment and allied sectors to cater to the growing needs of the fashion industry both in domestic and international arena. With the passage of time NIFT has been successful in so far as the objective of its establishment is concerned. Its courses are becoming increasingly popular and the demands of the students for joining the institute is growing year after year. To meet the growing demands of the students from across the country, NIFT has undertaken an expansion plan wherein eleven more branches will be opened in other parts of the country and abroad. This will be in addition to seven branches already functioning in various cities of the country. This is a praiseworthy step, yet the desired progress is not being achieved due to one or the other reason in all the proposed centres. All the eleven projects are plagued by one or the other problem and are not progressing on the expected lines. The Committee are distressed at the state of affairs prevailing in the expansion of NIFT. They therefore, strongly recommend that due care and coordination should be ensured among various agencies which are involved in the establishment of the centres of NIFT in various parts of the country so that these centres come up within a specific time frame and start their academic session benefiting the students from all sections of the society.

Reply of the Government

Eleven new Centres to be opened in different States. Correspondence with 11 different states was going on for opening of new NIFT Centres. NIFT has seven centres at the under noted places and one new centre was opened at Rae-Bareilly(UP) from the Acadmic Year 2007-08:-

1. New Delhi

2. Bangalore
3. Chennai
4. Gandhinagar
5. Hyderabad
6. Kolkata
7. Mumbai
8. Rae- Bareilly

In addition to the above, four new centres are to be opened in India, and one in Mauritius, from the next Academic Session 2008-09. The four new Centres are to be opened in:-

1. Patna
2. Bhopal
3. Kannur
4. Shillong

The progress is satisfactory. Correspondence is underway with other states to open more centres, and the progress shall be put up before the Committee.

(Ministry of Textiles O.M. No. 2(8)/2008-Parl, dated 18.07.2008)

CHAPTER III

RECOMMENDATION/OBSERVATION WHICH THE COMMITTEE DO NOT DESIRE
TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLY

-NIL-

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLY OF THE GOVERNMENT HAS NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation (Sl. No. 5)

The Committee observe that the Government launched the Scheme for Integrated Textile Parks (SITP) in August 2005, by merging the two existing Schemes viz. Scheme of Apparel Park for Export and the Textile Centres Infrastructure Development Scheme. The Scheme, a public private partnership, is being implemented through Special Purpose Vehicles (SPVs). The industry associations/group of entrepreneurs are the main promoters of SITP. The primary objective of SITP is to facilitate world class infrastructure for setting up textile units. The Government of India provides assistance @ 40 per cent of the project cost subject to ceiling of Rs.40 crore. So far only 30 Textile Parks have been sanctioned (during the Tenth Plan) and out of 50 Textile Parks which were initially considered for development during the Eleventh Plan Period only 10 Parks have been taken up in the first instance. Sanction of additional projects have been subjected to completion of critical analysis and evaluation of four projects approved in the year 2005-2006. Although, it is a flagship scheme of the Ministry, the pace of progress in the development of these parks is far from satisfactory. Only one park is fully functional out of 12 projects sanctioned under erstwhile APES, while work in only three projects have been completed out of 18 sanctioned under TCIDS. This itself speaks about the poor functioning of the scheme. No doubt, the entire process of developing a Textile park involves enormous efforts at least till it is sanctioned, yet these formalities and timely development of these parks cannot be protracted on any ground whatsoever more so, when enterprising entrepreneurs and other industrial associations form Special Purpose Vehicle (Promoters of Textile Park) and the assistance of the Government of India is to the tune of 40 per cent of the project cost. The Committee, therefore, strongly recommend that a time bound action plan be drawn up for ensuring that the sanctioned Textile Parks become fully operational as any delay in this regard may not only involve the cost overrun but also run the risk of meeting the same fate which its earlier components, viz. i.e. APES and TCIDS met, besides disenchanting the focused and result oriented entrepreneurs.

Reply of the Government

Under the Scheme for Integrated Textiles Parks (SITP), the development of infrastructure is the responsibility of the group of entrepreneurs, who will be putting up their units in the park and will be the actual users of the facilities thus created. Apart from contributing a minimum 60% of the cost of common infrastructure / facilities, these entrepreneurs also make investment for their individual units. This group of entrepreneurs, thus, has a commitment not only for proper and timely development of necessary infrastructure with appropriate technology, but also for running it properly and effectively in future.

In SITP projects, the entrepreneurs come together and decide their proposed activities upfront. The groups of entrepreneurs take considerable time before making such huge investments. Procurement of land by the SPV and transferring this in its name, conversion of land use, and obtaining statutory clearances take considerable time. But, once these are finalized, the project moves at a faster pace.

Government of India support is released in a phased manner after ensuring appropriate matching contributions by the member entrepreneurs.

The Project Management Consultant (PMC) is helping the SPVs for the implementation of the projects in a professional manner right from formulation of project report to the execution of the project.

Representatives of the Government of India and PMC have been nominated on the Board of Directors of the project SPVs to oversee the execution of projects.

Implementations of the projects are being regularly monitored to ensure timely completion.

(Ministry of Textiles O.M. No. 2(8)/2008-Parl, dated 18.07.2008)

Comments of the Committee

(Please see Para No. 13 of Chapter 1 of the Report)

Recommendation (Sl. No. 6)

The Committee observe that SITP (a flagship scheme of Government of India) aims to develop world class infrastructure for setting up textile units. All the items of work coming under textile will be undertaken in these parks. Entrepreneurs and Industrial Associations have been identified as the main promoter of the Textile Parks but the Scheme loses sight of the fact that besides entrepreneurs and industry it is the worker, weaver, crafts persons who form backbone of the entire chain in the textile sector. Notwithstanding the primacy given to entrepreneurs, the people associated with the primary and elementary work to make these parks functional cannot be ignored if these parks are to run successfully. Therefore, it will be in the fitness of things if the role to be played by this section is also given due recognition. The Committee are distressed to note that the Government feels disinclined to provide any kind of infrastructural facilities to the groups of artisans, weavers, textile workers, etc. either in the individual capacity or to their representative bodies, Cooperatives, Associations, etc. to enable them to carry out their profession. The response of the Government that interested artisans, weavers may join hands and form a special purpose vehicle to develop a textile park as per their business plan, is not acceptable to the Committee. The development of textile parks through SITP may be the utmost priority yet we cannot be oblivious of the plight of persons who will be the main factors for success of these textile parks. The Committee, therefore, strongly recommend that infrastructural facilities under SITP should also be made available to the Cooperatives and other representative bodies of the artisans, weavers, textile workers, etc. providing them with an opportunity to contribute their mite in their own way in the development of textile sector. Nevertheless, the interest of entire chain of workforce associated with the textile parks are well taken care of as far as their wages, social security coverage and exact money value of their products is concerned.

Reply of the Government

Scheme for Integrated Textiles Park (SITP) does not exclude Cooperatives and other representative bodies of the artisans, weavers, textile workers, etc. to develop infrastructure facilities. In fact, Metro Hi Tech Co-operative Textile Park, Pride India Cooperative Textile Park and Shri Dhairyashil Mane Textile Park Cooperative Society in Maharashtra are some of the projects being developed by Cooperative Societies. Further, an exclusive Handloom Park, namely Pochampally Handloom Park in Andhra Pradesh is also being developed by Handloom Weavers.

(Ministry of Textiles O.M. No. 2(8)/2008-Parl, dated 18.07.2008)

Comments of the Committee

(Please see Para No. 16 of Chapter 1 of the Report)

Recommendation (Sl. No. 14)

The Committee take note of the fact that Government propose to set up 'Fashion Hubs' with a view to strengthen the entire textile value chain and to provide an interface between the stakeholders by creating a permanent market place for the Indian Fashion Industry. It would also serve as a single stop fashion business point, show casing Indian fashion trends, craftsmanship and design legacy of India. It would also involve strengthening of the entire supply chain which would include establishing, backward linkages with suppliers. However, it appears that the entire plan is still in conceptual stage as the Ministry itself is not aware of the availability and the cost of the land. The size of land and cost would determine the facilities to be created and also the methodology of the operation of the entire project. The concept of creation of 'Fashion Hub' is laudable as it will help in the generation of employment opportunities in addition to displaying the skills and talents of Indian crafts persons and providing them an opportunity to create a niche for themselves in the global arena. The Committee, therefore, urge upon the Government to take all necessary steps for establishing the 'Fashion Hub' at the earliest. If feasible, land for fashion hub may either be acquired through outright purchase by the Government or a private agency or may be taken on lease from private parties or such land owners may be associated as partners with specific percentage of their shareholding in the project. Search of land cannot be prolonged indefinitely lingering on the project for want of land from Government agencies.

Reply of the Government

The Government proposes to set up 'Fashion Hubs' with a view to strengthen the entire textiles value chain and to provide an interface between the stakeholders by creating a permanent market place for the Indian Fashion Industry. It would also serve as a single stop fashion business point, showcasing Indian fashion trends, craftsmanship and design legacy of India. It would also involve strengthening of the entire supply chain which would include establishing, backward linkages with suppliers. However, the entire plan is still in conceptual stage as the Ministry is not aware of the availability and the cost of land. The size of land and the cost would determine the facilities to be created and also the

methodology of the operation of the entire project. The concept of creation of 'Fashion Hub' is laudable as it will help in generation of employment opportunities in addition to displaying the skills and talents of Indian crafts persons and providing them as opportunity to create a niche for themselves in the global arena. Search of land has prolonged indefinitely on the project for want of land from Government agencies.

(Ministry of Textiles O.M. No. 2(8)/2008-Parl, dated 18.07.2008)

Comments of the Committee

(Please see Para No. 28 of Chapter 1 of the Report)

CHAPTER V

REDOMMENDASTIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

Recommendation (Sl. No. 10)

The Committee note that 'Health Insurance Scheme' for handloom weaver launched in the year 2005 with the ICICI Lombard General Insurance Company Limited as the implementing agency of the scheme. 23.17 lakh weavers been covered till date under the Insurance Scheme. As regards pending cases settlement under the scheme, it has been stated that 12,572 cases involving Rs.3.38 crore are still to be settled. The present Health Insurance Scheme does not provide coverage for critical illness of the weavers. On being enquired on this aspect, it has been stated that the proposal for covering critical illness was placed before the EFC on 5 July 2007 while considering the Handloom Weavers Comprehensive Welfare Scheme. It was suggested that this could be covered under a new scheme to be launched by LIC and negotiations are going on with LIC as to the rate of premium payable by the Ministry. For the purpose of covering general ailments and critical illness the engagement of two separate insurance companies defies all logic. It will be more appropriate if only one insurance company, preferably LIC, is entrusted with the responsibility of covering both kind of ailments i.e. General Ailment and Critical Illness. The Committee, therefore, recommend that the appropriate steps be taken in this regard. The Committee further recommend that immediate steps be taken to settle all the pending cases of claims under the scheme and devise a proper mechanism to make the process of claim settlement quick and hassle free in future.

Reply of the Government

The critical illness cover was proposed to be included under Health Insurance Scheme under the new Handloom Weavers Comprehensive Welfare Scheme (HWCWS) of 11th Plan, as there was a demand to provide extra benefits to cover seven critical illnesses. The limit of such illness was proposed as Rs.30,000/- i.e. double the limit of Rs.15,000/- per family.

This proposal was discussed in the EFC meeting held on 5.7.2007. During the discussions, Ministry of Finance (Financial Services) felt that a provision for critical illness need not be kept as part of the Health Insurance Scheme as LIC will be offering a similar product at a much cheaper cost within next month. Therefore, coverage of critical illnesses under the Health Insurance Scheme was not accepted by the EFC and it was decided that this could be covered under the new scheme to be launched by the Life Insurance Corporation. In line with this decision, the issue of critical illness cover was taken up with the LIC. Initially, LIC proposed that the premium for critical illness will be fully paid by the Ministry @ Rs.4/-per thousand for a maximum cover of Rs.30,000/-. The LIC was requested to consider lowering the premium. However, LIC vide their letter-dated 5.3.2008 proposed an even higher rate of Rs.8/-to Rs.10/-per thousand for a maximum cover of Rs.30,000/-. Therefore, LIC was again requested to reconsider their earlier quote of Rs.4/-per thousand or lesser to enable consideration of their proposal.

Now the LIC has given a final quote of Rs.4/-per thousand for a maximum cover of Rs.30,000/-provided the premium charged for critical illness cover will be fully paid by the Ministry with the caveat that in case of claim over premium, the loss will be made good by the Ministry. The proposal is under examination.

As regards the pending claims under Health Insurance Scheme, it is stated that as per the report furnished by the ICICI Lombard, there were 12572 claims pending amounting to Rs.3.38 crore up-to February 2008. As per the report up to March 2008, there are only 6866 claims pending amounting to Rs. 2.63 crore. From this it may be seen that the pending claims are being settled. However, the ICICI Lombard has been advised to settle the remaining claims also. The Government of India is reviewing the implementation of the scheme regularly at the Central level as well as at the State level.

(Ministry of Textiles O.M. No. 2(8)/2008-Parl, dated 18.07.2008)

Comments of the Committee

(Please see Para No. 22 of Chapter 1 of the Report)

Recommendation (SI. No. 12)

The Committee are distressed to note that despite repeatedly stressing the need to raise the upper age limit from 58 to 70 for coverage under MGBBY, the Government is not taking up the issue with the seriousness it deserves. It is simply quoting the replies of LIC which are evasive in nature to shirk its responsibility. The Government has stated that the matter was taken up with the Ministry of Finance and LIC. The LIC informed that for raising the age limit the premium would be Rs.1,650/- per weaver. Since the premium was very high, the Ministry of Finance and the LIC were again and again requested to reduce the premium. It has also been stated that at present the annual premium for the weaves in the age group of 18 to 59 years is Rs.330/- per weaver per annum. The premium proposed by the LIC for the age group between 60-70 years is Rs.1,500/- per annum. The Committee are not convinced by the logic of Insurance Company and the Ministry of Finance as it is prima-facie untenable. Going by this yardstick there is no justification for keeping a uniform premium for beneficiaries of all ages i.e. 18 to 58 years as mortality rate in the lower age group of the beneficiaries is far less than in the higher age group. Hence, the rate of premium should be structured accordingly in the light of the perceived mortality rate for different age groups of beneficiaries. Therefore, high rate of premium for beneficiaries of 59 to 70 years does not hold any ground.

The Committee, therefore, strongly recommend that the issue of increasing the age of weavers from 58 to 70 years for the purpose of coverage under insurance be immediately decided without any further delay. Being a public sector company, LIC should not shirk its social responsibility towards the handloom workers who are from the poor section of the society. However, the Government may, if necessary, create a fund to indemnify LIC in case the claim outgo of LIC in this segment (i.e. between 59 to 70 years) is more than the premium collected by the company.

Reply of the Government

The matter regarding raising the upper age limit under the Mahatma G Bunkar Bima Yojana was taken up with the LIC. The premium proposed by LIC for the age group between 60 and 70 years was Rs.1500/- per annum. As this premium was very high, the LIC was requested to lower the premium. The LIC has given two options for lowering the premium as under:

A premium of Rs.1,000/- per person will be charged for the persons aged above 59 years with the caveat that in case of claim over premium, the loss will be made good by the Ministry. Alternatively, a premium of Rs.450/- will be paid for all the persons being covered under MGBBY (age group 18 to 69).

The matter is under examination.

(Ministry of Textiles O.M. No. 2(8)/2008-Parl, dated 18.07.2008)

Comments of the Committee

(Please see Para No. 25 of Chapter 1 of the Report)

New Delhi;
September, 2008
Bhadrapada, 1930 (Saka)

SURAVARAM SUDHAKAR REDDY,
CHAIRMAN,
STANDING COMMITTEE ON LABOUR.

MINUTES OF THE FOURTH SITTING OF THE STANDING COMMITTEE ON LABOUR
HELD ON 18TH SEPTEMBER, 2008

The Committee sat from 1400 hrs. to 1600 hrs. in Committee Room No. B, Parliament House Annexe, New Delhi.

PRESENT

Shri Suravaram Sudhakar Reddy – CHAIRMAN

MEMBERS
LOK SABHA

2. Shri Ramdas Bandu Athawale,
3. Shri Santasri Chatterjee
4. Shri Thawar Chand Gehlot
5. Shri Virendra Kumar
6. Shri Basangouda R. Patil
7. Shri Rajesh Kumar Manjhi
8. Shri Devidas Pingle,
9. Shri Chandra Dev Prasad Rajbhar,
10. Shri Mohan Rawale,
11. Smt. C.S. Sujatha
12. Shri Parasnath Yadav

RAJYA SABHA

13. Shri Narayan Singh Kesari
14. Shri K. Chandran Pillai

SECRETARIAT

1. Shri R.K. Bajaj - Director
2. Shri N.K. Pandey - Deputy Secretary

- 2. XX XX XX
- 3. XX XX XX
- 4. XX XX XX
- 5. XX XX XX

6. The Committee then took up Draft Thirty First Action Taken Report on DFG (2008-09) of the Ministry of Textiles, for consideration and adoption. After some discussion, the Committee adopted the Draft Report without any modifications.

7. The Committee then authorized the Chairman to finalise the above Report and present the same to the Parliament.

8. The Committee also placed on records their appreciation for the service rendered to the Committee by the officers/staff attached to the Committee.

- 9. XX XX XX

A verbatim record of the proceedings has been kept.

The Committee then adjourned.

APPENDIX-II

(Vide Para No. 3 of the Introduction)

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON
RECOMMENDATIONS CONTAINED IN THE TWENTY-NINTH REPORT OF THE
STANDING COMMITTEE ON LABOUR (FOURTEENTH LOK SABHA)

	Total Percentage	
I. Total number of Recommendations	14	
II. Recommendations/Observations which have been accepted by Government		
(Sl. Nos. 1,2,3,4,7,8,9,11 and 13)	9	64.29%
III. Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies		
Nil	Nil	Nil
IV. Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee and which requires reiteration		
(Sl. Nos. 5,6 and 14)	3	21.42%
V. Recommendations/Observations in respect of which final replies of Government are of interim in nature		
(Sl. Nos. 10 and 12)	2	14.29%
		----- 100% -----