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**STANDING COMMITTEE ON LABOUR
(2011-2012)**

FIFTEENTH LOK SABHA

MINISTRY OF LABOUR AND EMPLOYMENT

**[Action taken by the Government on the
Recommendations/Observations contained in the Twentieth Report of
the Standing Committee on Labour on the `Demands for Grants of the
Ministry of Textiles for the year 2011-12]**

TWENTY-SIXTH REPORT



LOK SABHA SECRETARIAT

March, 2012/Chaitra, 1934 (Saka)

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Standing Committee on Labour on the `Demands for Grants of the Ministry
of Textiles for the year 2011-12]**

Presented to Lok Sabha on 23.03.2012

Laid in Rajya Sabha on 23.03.2012



LOK SABHA SECRETARIAT

NEW DELHI

March, 2012/Chaitra, 1934 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON LABOUR

(2011-12)

SHRI HEMANAND BISWAL - CHAIRMAN

2. Shri Raj Babbar
3. Shri Dara Singh Chauhan
4. Dr Virendra Kumar
- **5. Shri Pakauri Lal
6. Shri Narahari Mahato
7. Shri Hari Manjhi
8. Shri P. Balram Naik
9. Ms. Mausam Noor
10. Shri Jayaram Pangi
11. Shri Sanjay Dina Patil
12. Shri S. Pakkirappa
13. Shri Mahendra Kumar Roy
14. Ms. J. Shantha
15. Shri Bhausahab Rajaram Wakchaure
- *16. Shri Konakalla Narayana Rao
17. Vacant
18. Vacant
19. Vacant
20. Vacant
21. Vacant

RAJYA SABHA

22. Shri D. Bandyopadhyay
23. Shri Mohd. Ali Khan
24. Shri Aayanur Manjunatha
25. Dr. E. M. Sudarsana Natchiappan
26. Shri Rudra Narayan Pany
27. Smt. Renubala Pradhan
28. Shri Ranbir Singh Parjapati
29. Shri Rajaram
30. Shri Praveen Rashtrapal
31. Shri G. N. Ratanpuri

* Nominated *w.e.f* 25th November, 2011.

** Ceased to be Member of the Committee consequent upon his nomination to Standing Committee on Coal & Steel *w.e.f.* 3rd January, 2012.

SECRETARIAT

1. Shri Devender Singh - Joint Secretary
2. Shri Ashok Sajwan - Additional Director
3. Smt. Bharti S. Tuteja - Under Secretary

INTRODUCTION

I, the Chairman of the Standing Committee on Labour having been authorised by the Committee to submit the Report on their behalf, do present this Twenty-Sixth Report on the action taken by the Government on the recommendations contained in the Twentieth Report of the Standing Committee on Labour (Fifteenth Lok Sabha) on the 'Demands for Grants of the Ministry of Textiles for the year 2011-12'.

2. The Twentieth Report was presented to Lok Sabha and also laid in Rajya Sabha on 30.08.2011. The Ministry of Textiles furnished their replies indicating action taken on the recommendations contained in that Report on 30th November, 2011. The Report was considered and adopted by the Standing Committee on Labour at their sitting held on 24.2.2012.

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

4. For the facility of reference and convenience recommendations/observations of the Committee have been printed in thick type in the body of the Report.

New Delhi;
21st March, 2012
1 Chaitra, 1934 (Saka)

HEMANAND BISWAL
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 Twentieth Report (Fifteenth Lok Sabha) on 'Demands for Grants for the year 2011-12 of the Ministry of Textiles'.

2. The Twentieth Report was presented to Lok Sabha and also laid in Rajya Sabha on 30.08.2011. It contained 18 recommendations. Replies of Government in respect of all the recommendations have been received and have been categorized as under:-

- | | | |
|-------|---|----------------------------------|
| (i) | Recommendations/Observations which have been accepted by the Government. | |
| | Paragraph Sl. Nos. 3.13, 3.18, 3.25, 3.29, 3.31, 3.32, 3.34, 3.37, 3.49, 3.50, 3.52, 3.56, 3.60 and 3.63. | Total-14
Chapter-II |
| (ii) | Recommendations/Observations which the Committee do not desire to pursue in view of the Government's reply. | |
| | Paragraph Sl. Nos. NIL | Total-NIL
Chapter-III |
| (iii) | Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee and which require reiteration. | |

Paragraph Sl. Nos. NIL**Total-NIL
Chapter-IV**

- (iv) Recommendations/Observations in respect of which replies of the Government are interim in nature.

Paragraph Sl. Nos. 3.26, 3.27, 3.33, and 3.42.**Total-04
Chapter-V**

3. The Committee desire that action taken notes in respect of recommendations contained in Chapter I and final action taken notes in respect of recommendations contained in Chapter-V for which only interim replies have been given by the Government may be furnished to them at the earliest and in any case not later than 3 months of the presentation of this Report.

4. The Committee will now deal with the action taken replies of the Government which need reiteration or merit comments.

A. North Eastern Region**(Recommendation at Para No.3.25)**

5. The Committee while observing that the Ministry failed to promote their flagship schemes in the North-Eastern Region recommended the Government to constitute an expert group to advise them for popularization of TUFs and SITP in North Eastern Region. The Committee urged the Government to set up their own

textile centres in the North Eastern region, train unemployed people and educate them about the benefits of TUFs or alternatively cooperatives be convinced/motivated to set up modernized textile units in the North Eastern Region.

6. In the action taken reply furnished to the Committee, the Ministry of Textiles stated as follows:

"Government in consultation with State Government will constitute an Expert Group for popularization of TUFs and SITP in the North East region.

Government of India will seek to further strengthen the Guwahati Powerloom Service Centre under the Integrated Skill development Scheme to develop a skilled workforce in the North Eastern region for textile Sector.

During the current year, the following initiatives were taken in respect of TUFs and SITP:

- A workshop was held in Shillong under the aegis of DC(Handicrafts) on promotion of Textiles Industry in North East for promotion of TUFs and Skill Development initiatives in July 2011.
- An Integrated Textiles park has been sanctioned in Tripura (Agartala) under the SITP scheme in August 2011.

The Government accepts all the recommendations of the Committee under Para 3.25. The details on the constitution of the expert group for popularization of TUFs & SITP in the North East region will be submitted by January, 2012 following inter Ministerial consultation."

7. The Committee note that the Government is strengthening Guwahati Powerloom Service Centre to develop a skilled workforce in the North Eastern region for textile sector. The Committee, however, feel that strengthening one centre alone would not serve the purpose of widening the skill base. The Committee are of the considered view that textile centres need to be opened through out the North Eastern region preferably in rural areas where most of the weavers are concentrated. These textile centres should strive to train both young and unemployed youth on the powerlooms/handlooms and educate the whole community about the benefits of TUFs and other schemes. The Committee further reiterate that the cooperatives/ self help groups be convinced about the benefits of the TUFs scheme and motivated to set up modernized textile units in the Region and avail the benefits of the TUF scheme. As regards an Expert Group to be constituted by the Government for popularization of TUFs and SITP in the North Eastern Region, the Committee would like to be apprised of the details of the Expert Group and suggestions made for popularization of TUFs and SITP by it.

(Recommendation at Para No.3.26)

8. Observing lack of infrastructure in the North Eastern region including obsolete technology, weak skill base, absence of product diversification & market development and poor institutional framework, the Committee had desired formation of self help groups in North Eastern Region to help weavers to come together and derive benefits from various Centrally Sponsored Schemes so that the manpower in handloom and handicrafts sub-sectors be strengthened at the earliest to make the schemes successful in North Eastern Region. Taking note of the fact that only 594, 185 and 164 weavers got training in three Weavers Service Centre at Guwahati, Agartala and Imphal during the last five years, the Committee felt that small training centers in rural/remote areas be set up in Private Public Partnership mode for unemployed villagers who hesitated to move to the cities to provide the prospects of training and employment in their villages only. The Committee were of the view that proper training be imparted to women members of the weavers' family for upgrading their skills in preparatory processes.

9. In the action taken reply, furnished to the Committee, the Ministry of Textiles stated as follows:

"As per the latest Census (2009-10) in North East, 90% of the handloom worker households are weaver households. In contrast to the national trend, the North Eastern States

recorded an increase in the number of weavers' households from 14.6 lakh weavers' households (in 1995) to 15.1 lakh weavers' households (Census 2009-10). A large majority of looms in the North Eastern States are engaged in domestic production (62%) and a relatively less proportion is into mixed production (34%). This is primarily because handloom weaving is part of the culture across all social groups but rural households have a good part of domestic fabric requirements produced within the house. However, 52% households produce less than one meter of fabric per weaver per day. As far as Handloom Sector is concerned, the number of Clusters & Group Approach Projects sanctioned and funds released under IHDS in North Eastern Region are given next:

(Rs.in lakh)

	Period (2007-08 to 2010-11)			Period (2008-09 to 2010-11)		
	No. of Clusters sanctioned	Amount Released	Total Beneficiaries Covered	No. of Groups Sanctioned	Amount Released	Total Beneficiaries Covered
Total:	144	3854.73	67934	293	2275.05	10565

Emphasis is given on formation of Self Help Groups under the Integrated Handlooms Development Scheme. Programmes/ Schemes for 12th Five Year Plan are also being formulated keeping in view of the special emphasis to form Self Help Groups (SHGs). The State Governments have been addressed

at various platforms that more and more SHG's of weavers be formed to enable them to avail the benefits of various schemes of both the State and Centre Governments.

The Integrated Handlooms Development Scheme being implemented during the XI Plan has a Skill Development component, under which the weavers are being provided training in weaving, design development and dyeing/managerial skill. The training in these areas not only improves quality of the handloom products but also enhances the earnings of weavers. For the 12th Plan period, it has been recommended that the domestic handloom should be encouraged to convert to commercial weaving as envisaged under the proposed Minimum Economic Size (MES) Scheme. For this, the necessary modification of looms and accessories like dobby and jacquard will be provided. However, suitable financial assistance is available not only under the existing IHDS Scheme but also as proposed under the new MES Scheme for all types of loom accessories. These Schemes also provide for financial assistance for skill upgradation of weavers in weaving, dyeing and managerial aspects. The benefits of IHDS Scheme are on a cost-sharing basis of 90:10 ratio i.e. (GOI share: Beneficiary) for NER weavers.

Promotion of weaving and imparting training to weavers is done through Weavers Service Centers (WSC) and 5 Indian

Institute of Handloom Technology (IIHT) which are functioning in different parts of the country. In addition, WSCs are also conducting design cum dyeing workshop to disseminate the technological development in the field of weaving, designing, dying etc. and to make aware the weavers about the handloom schemes.

To provide Marketing support to handloom weavers and their agencies, Government is implementing Marketing & Export Promotion Scheme, which provides marketing opportunities and infrastructure support through design development, and marketing linkages to assist sale of the Handloom products both in domestic and international market. To assist Apex/Primary handloom cooperative societies & Corporations in developing the export-worthy products, financial assistance is provided for engaging professionally qualified designers for design development, engaging professional marketing Consultant etc. Publicity and brand development through Handloom Mark and other measures are also being undertaken regularly. Marketing Incentive @ 10% of the average sales turnover of the last three years is also provided to offset the cost of handloom products and compete in the domestic and international market.

Skill up gradation and training is provided under Integrated Handlooms Development Scheme which provides need based

inputs to develop “Clusters” of 300-500 Handloom or “Groups” of 10-100 weavers for making them self-sustainable. This is done by providing them financial assistance for margin money, working capital, new looms and accessories, skill-upgradation training in weaving, dyeing and processing, designing, marketing opportunities and for providing assistance for construction of work shed, common facility centers etc.

As regards the Committee’s recommendation that the manpower in handloom and handicrafts sub-sectors be strengthened at the earliest, it is stated that under the Integrated Handloom Development Scheme, assistance is provided for restructuring/strengthening of handloom organization in the form of seed money."

10. The Committee observe that as per the latest Census 2009-10- 'a large majority of looms in the North-Eastern States are engaged in domestic production and most of them are in rural areas. The Committee are of the view that training to weavers not only improves the quality of their products but also increases their earning opportunities. The Committee are of the view that a handful of weavers service centres in big cities and one institute of Handloom Technology in Guwahati with few seats reserved for the people for North Eastern Region will not help skill development of weavers of the entire region

adequately. The Committee, therefore, reiterate their earlier recommendation that small training centres in rural/ remote areas be set up in Public Private Partnership mode for the weavers who are either producing only domestically or are not keen to go to big cities to get training. The Committee further reiterate that women weavers should also be trained, preferably, in preparatory processes. The Committee may also be apprised of the details of the proposed MES scheme.

B. Handlooms

(Recommendation at Para No.3.33)

11. The Committee while observing that lack of vigorous marketing has led to the downfall of handloom products recommended that market orientation must be developed and quick response to the changing requirements of the market be made and that a handloom research centre be set up at the national level to undertake research in demand patterns, professional designs, weaving technology, raw materials, product diversification and training facilities for implementing new technologies etc.. The Committee urged the Government to play a pivotal role in reviving and sustaining handlooms by subsidizing handloom products as genuine handloom products are highly priced and only have a niche market. The Committee strongly felt that Panchayati Raj Institutions can play an active and fruitful role in reviving and

sustaining handloom units by educating and guiding the entrepreneurs and weavers in their area about the facilities provided by the Government to run their units. The Committee further felt that these Panchayati Raj Institutions can help in cluster development in rural areas by conceptualizing viable projects using local resources of raw materials and skills and could stand surety to the clusters for obtaining finances. The Committee also recommended that suitable incentives be given to the weavers to produce popular handloom products in large quantities and a handloom brand may be evolved to target the middle class and wider publicity be given to such products/brand as part of marketing strategy. The Committee further desired that reviving old and extinct designs with professional help may be undertaken under Integrated Handloom Development Scheme and a National Museum of costumes, old and modern of different regions of the country be set up.

12. In the action taken reply furnished to the Committee, the Ministry of Textiles stated as follows:

"The Government of India had introduced Integrated Handlooms Development Scheme (IHDS) in the year 2007-08 for implementation in the XI Plan period. The scheme aims to focus on formation of weavers group as a visible entity, develop the Handlooms Weavers Groups to become self-sustainable, inclusive approach to cover weavers both within and outside the Cooperative fold, skill up-gradation of

handlooms weavers/workers to produce diversified products with improved quality to meet the market requirements, provide suitable workplace to weavers to enable them to produce quality products with improved productivity etc. The Cluster Development projects are under implementation and their success can be seen on completion of the projects.

Skill up-gradation is one of the components of IHDS to equip the weavers with the latest technique of weaving and create awareness on the knowhow of designing and dyeing.

Under the component of Design development and product diversification of IHDS, professional qualified Designers from NIFT/NID or any other Institute of repute have been engaged in the clusters for product development/diversification with design inputs, training of local designers, documentation of designs/products and also for market linkages.

The National Handicrafts and Handlooms Museum (NHHM) popularly known as Crafts Museum is located at Pragati Maidan, New Delhi, under the administrative control of Development Commissioner for Handlooms, Ministry of Textiles, plays a vital role in Collection, conservation and preservation of crafts specimen, revival, reproduction and development of Art and Craft.

In order to provide a marketing platform for the weavers/handloom organizations, the Government of India

provide grants in aid to the State Governments/ State Handloom Organisations to organise marketing events at various levels, i.e. District Level Events, Special Handloom Expos, National Handloom Expos(all India level), Craft melas etc. The weavers from all States of the country are given opportunity to participate and sell their products in Dilli Haat and various craft melas. The number of marketing events have been increased every year to provide more opportunities to handloom weavers and their cooperative societies to sell their products directly to the consumers. These events also provide the opportunity to understand weaver, the market demand in terms of designs, color trends etc.

The number of marketing events organised during the last four years and sales is tabulated below:

Year	No. of marketing events organized	Sales generated (Rs. In crore)
2007-08	313	Rs.146 crore
2008-09	399	Rs.220 crore
2009-10	561	Rs.340 crore
2010-11	680	Rs.410 crore

During the current year 2011-12, 665 marketing events have been approved till 14th October, 2011.

In order to popularize and establish handloom products as a brand, the Handloom Mark Scheme was launched by Dr. Manmohan Singh Hon'ble Prime Minister of India on 28.06.2006. The Handloom Mark Scheme provides a collective identity to the Handloom Products and is used not only for popularizing the hand woven products but also serve as a guarantee for the buyer that the product being purchased is genuinely hand woven.

The Scheme is operational throughout the country. Individual weavers, Weavers Co-operative societies, Master weavers, Retailers, Exporters, Self Help Groups, Joint Liability Groups, Consortiums, Handloom Weavers Groups, Producer Companies identified under Integrated Handloom Development Scheme. etc., are entitled to participate in the scheme. As on August 2011, 8338 stakeholders have been registered under the scheme and 203.68 lakh handloom marks labels have been sold (cumulative) and 804 retail outlets are selling handloom mark labelled goods. "

13. The Committee find that the local panchayats have not been involved in Integrated Handlooms Development Scheme (IHDS) for Handloom Weaver Groups. The Committee, therefore, reiterate their recommendation that Panchayati Raj Institutions should be invariably involved to play an active and fruitful role in reviving and sustaining handloom units. The Committee are of the considered view that panchayats must be

involved in cluster development and educating the weavers regarding Government sponsored schemes and facilities provided to them. While observing that marketing platform to the weavers is being provided by organizing District level events, Special Handloom expos, National Handloom Expos, Craft melas etc. for artisans/ weavers, the Committee find that no efforts are being made to develop market orientation for production. The Committee, therefore, reiterate that handloom research centre with branches all over India may be opened to study market trends and advise the weavers to modify their production vis-à-vis change in demands of handloom products in domestic and international market. The Committee recommend that a handloom brand targeting middle, lower middle class may be evolved and subsidized handloom products may be sold under that brand to tap the huge market potential in the said segment.

C. Wool and Woollens

(Recommendation at Para No.3.49)

14. The Committee while observing the under achievement of physical targets of various developmental schemes in woollen sector during 2010-11 recommended that sheep breeders be covered under the Rashtriya Swasthya Bima Yojana (RSBY) and that serious illnesses which require specialized treatment may be covered under

the Sheep Breeders Insurance Scheme, which at present only covers death and total and partial disability and desired that the Panchayats be involved in full measure in implementation of these social security schemes to make the scheme popular and maximizing its reach to the people.

15. In the action taken reply furnished to the Committee, the Ministry of Textiles stated as follows:

"The Central Wool Development Board (CWDB) achieved Physical targets under Integrated Wool Improvement and Development Programme (IWIDP) as fixed under its scheme. The CWDB was to cover total 26 lakh sheep under Sheep & Wool Improvement Scheme (SWIS) during 11th plan as per approved EFC note and against this target, the Board covered 32 lakh sheep as tabulated under:

SN	Year	Target to benefit sheep as set in EFC Note	Sheep benefited during 11 th Plan (Achievements)
1	2007-08	4.5 lakh sheep	6.75 lakh sheep
2	2008-09	13.5 lakh sheep	9.25 lakh sheep
3	2009-10	8 lakh sheep	10.5 lakh sheep
4	2010-11		5.5 lakh sheep
5	2011-12		-
	Total	26 lakh sheep	32 lakh sheep

Scheme-wise Physical targets achieved during the 11th Five Year Plan (upto Sept.,2011) against the targets set in EFC/SFC Note of Board's schemes are as under:

SN.	Name of scheme	Total targets as per EFC/SFC for 11 th Plan	Actual achievement upto Sept.,2011	Shortfall if any
1	Sheep & Wool Improvement Scheme (SWIS)	26 lakh sheep	32 lakh sheep	--
2	Angora Wool Development Scheme	400 families	400 families	--
3	Pashmina Wool Development Scheme	2400 families	2400 families	--
4	Human Resource Development & Promotional Activities	1000 trainees	1013 trainees	--
5	Quality Processing of Wool scheme (Common Facility centre for Pre-loom	14 CFC under Pre-loom & 1 under Post-loom processing facilities.	Established 14 CFCs under Pre-loom processing.	1 CFC under post loom scheme could not be establishe

	and Post-loom processing facilities)			d.
6	Sheep Breeders Insurance under Social Security Scheme	1,35,000 shepherds	88,094 shepherds	Targets could not be achieved fully.
7	Sheep Insurance Scheme under Social Security Scheme	14.55 lakh sheep	4,85,808* sheep	

*After decentralization of Sheep Insurance Scheme in Oct. 2009, actual region wise figures have not been provided by OIC.

From above, it is clear that except under Insurance Schemes, the Board achieved almost all the targets. Under the scheme of Quality Processing of Wool Scheme, the Board established all 14 Common Facility Centres under Pre-loom processing activity but could not establish one Finishing Centre under post-loom processing facility as no suitable and viable project proposal was received even after repeated advertisements in newspapers.

Sheep Breeders Insurance Scheme & Sheep Insurance Scheme were new schemes and were launched first time during 11th five year plan and require very active participation from mostly poor and illiterate sheep breeders who is on migration most of the time along with their sheep flock. The Sheep Breeder Insurance Scheme is being implemented by Life Insurance Corporation of India (LIC) and Sheep Insurance Scheme by Oriental Insurance Corporation of India (OIC) and both these Schemes were to be implemented in all wool producing states in India i.e. J&K, HP, Uttarakhand, Rajasthan, Haryana, Gujarat, Maharashtra. A.P. & Karnataka etc.

During the financial year 2008-09, the No. of Sheep Breeder Insurance and Sheep Insurance Scheme got some momentum as large number of SWIS projects were sanctioned to different NGOs / Implementing Agencies and as these NGOs were working at the field level with sheep breeders for implementation of health care, breed improvement and other components of the SWIS, are at the same time also helping them in filling the insurance form, collecting these forms and submitting the same to Insurance Agencies.

But it was found at implementation stage that whole process of insurance including settling claim from Insurance Agencies was a cumbersome and difficult process to be fulfilled by

illiterate or semi literate sheep breeders. Some of these difficulties faced by sheep breeder are as under.

- a) Immediate intimation of death of the insured sheep by the sheep Breeder/Nodal Agency and within 24 hours to insurance company.
- b) Ear Tag applied to the animals should be surrendered or otherwise claim will be rejected.
- c) In cases where tags are lost and intimation has already been given to the insurance company but the re-tagging has not been carried out, the claim will be considered by Insurance agency on merits.
- d) Submission of Panchnama/ FIR/ Postmortem Report, in case of Accidents.
- e) When the claim per instance exceeds five animals, Photograph of carcasses with ear tag intact along with the beneficiary shall be submitted.

Sheep Insurance was a new activity to OIC, Jodhpur and it was not fully equipped to take up this scheme at national level due to shortage of man power.

Initially the Oriental Insurance Co. Ltd. (OIC) implemented the scheme all over India from Jodhpur regional office only. All papers related to Insurance and for death claim were reaching OIC Jodhpur office which was very small office with very limited staff and lead to abnormal delay in Claim settlement. It

was also very difficult for NGO/ Implementing Agencies from far-flung area of the country to come to OIC Jodhpur office and settle the issue and when this difficulty was pointed out by CWDB to OIC, after much persuasion the scheme was decentralized by OIC in October 2009. After decentralization, Regional offices of OIC (in different states) took their own time in understanding the scheme and processing the death claims. It took also some time in transferring all the records related to claim from Jodhpur office to different Regional offices and initially there was total confusion whether a claim will be settled by Jodhpur office or Regional office of the state concerned. But till then lot of time was already passed and many sheep Breeders already discontinued the insurance due to abnormal delay in processing of death claim by OIC.

Physical targets and achievements during 11th Plan of the Central Wool Development Board under different schemes are given below:

1	Name of scheme	Unit	11 th Plan targets	2007-08 (Achievement)	2008-09 (Achievement)	2009-10 (Achievement)	2010-11 (Achievement)	2011-12 (Achievement upto Sept.,2011)	Total (Achievements-upto Sept.,2011)
1	Angora Wool Development Scheme	No. of families	400	40	140	20	120	80	400
2	Human Resource Development & Promotional	No. of trainees	1000	206	295	197	225	90	1013

	Activities								
3	Quality Processing of Wool scheme	No. of CFC	14 (Pre-loom) & 1 (Post loom)	6	2	Nil	4	2	14 (Pre-loom facility)

From above table it is clear that during 2009-10, progress was rather slow under Angora Wool Development Scheme and Quality Processing of Wool scheme as in spite of repeated advertisements Board could not get viable and suitable project proposal under CFC and Angora Wool Development Scheme but these shortfalls have been made up in next FY and in all the three components, targets as set for 11th Plan were achieved fully.

Just after launching the schemes of 11th Plan and after getting response from stake holders, it was found that it will be very difficult to achieve targets fully under (i) Quality Processing of Wool Scheme and (ii) Social security Scheme because there was poor response to both these scheme even after repeated advertisement in news papers.

The Board made several marketing efforts for setting up CFC under Post loom activity of Quality Processing of Wool scheme. Scheme was advertised repeatedly in national newspapers. CWDB also held meeting with wool Industrialist in potential wool industry area like Bikaner, Bhadohi, Panipat, Amritsar , Ludhiana etc. but very few suitable and viable projects proposals were received by CWDB .

Similarly in the case of Social Security Scheme, it was found at implementation stage that settling claim from Insurance agencies is a cumbersome process and very difficult to be complied by illiterate or semi literate sheep breeders who is on

the migration most of the time along with his sheep flock and lost interest in the scheme when claim were not settled by Insurance agencies timely and discontinued the insurance.

From the project proposals received from different State Governments it was found that there are large number of project proposals under Integrated Wool Improvement and Development Programme (IWIDP) as these scheme were benefitting Sheep Breeders directly but all these proposals could not be sanctioned within the allocated outlay for IWIDP. On the other side there were savings under Quality Processing of Wool Scheme and Social security Scheme because there were very few suitable and viable project proposals. So after looking into demands of different state Government agencies, advantages of the schemes to sheep breeders and to avoid over all saving in fund allocated to CWDB, it was decided to utilize the savings of Quality Processing of Wool Scheme and Social security Scheme under IWIDP after approval of Ministry of Textiles.

Thus the un-utilized savings of schemes where there was no viable and suitable project proposal, were utilized under components/ scheme where there was demands from State Governments.

Out of total budget allocation of Rs. 67.16 Crore for the 11th Five Year Plan, the Board has already utilized Rs. 58.24 Crore and expected to utilize remaining grant during current financial year 2011-12, as under :

SN	Annual Plan	11 th Plan allocation	Fund Utilization
1	2007-08		Rs. 13.35 Crore

2	2008-09	Rs. 67.16 Crore	Rs. 14.80 Crore
3	2009-10		Rs. 10.94 Crore
4	2010-11		Rs. 15.03 Crore
5	2011-12 (Proposed)		Rs.4.12 Crores (till Sept. 2011)
	Total	Rs. 67.16 Crore	Rs. 58.24 Crore (till Sept. 2011)

Rashtriya Swasthya Bima Yojana (RSBY) is being implemented by Ministry of Labour and Employment. The CWDB is examining the implementation of the scheme to cover sheep breeders."

16. The Committee find that the targets under (i) Quality Processing of Wool Scheme and (ii) Social security Scheme were not achieved. The Committee desire that the Government take urgent steps to provide insurance cover to poor sheep breeders and their flock. The Committee are of the view that the critical illnesses must be covered under the new scheme and claims settled in time. The Committee also reiterate that the local panchayats be involved in full measure for implementation of these social security schemes, viz. providing group insurance

to the sheep breeders, verifying the identity of sheep breeders/no. of sheep and for expediting settlement of claims. The Committee also expect that the government would reconsider/revise the conditions for setting up of Finishing centre under post loom processing facility and invite fresh proposals thereafter.

D. Research & Development

(Recommendation at Para No.3.60)

17. The Committee observed that in the absence of advanced technology and R&D, domestic textile industry faces tough competition from the competitive countries and desired that the Government should come out with an R&D policy for the entire textile sector to counter the challenges posed by technological developments in competing countries and recommend that adequate financial assistance be provided to the research bodies/Associations undertaking research in textile sector and also to monitor the expenditure and progress of work of R&D institutions.

18. In the action taken reply furnished to the Committee, the Ministry of Textiles stated as follows:

"Research & Development (R&D) R&D activities which, inter alia, cover studies, need based survey, taking into account

the strength and weakness of the Handloom Sector and take steps to ensure that the Sector benefits from the more open trading. During the 12th Plan, Rs.7.00 crore (@ 1.40 crore per year for 5 years) has been proposed for Research and Development.

The Ministry of Textiles has a comprehensive R&D Scheme for the entire Textile Sector. The scheme provides for support to the Textile Research Associations (TRAs) and textiles related R&D Projects taken up by Govt. Approved Research Centres such IITs/Govt. Aided Institutions/Recognised Engineering colleges / Institutions approved by DST / DSIR etc. Apart from this Comprehensive Scheme, incentives are available for R&D in Technical Textiles under the TMTT (Technology Mission on Technical Textiles).

There are 8 Textile Research Association catering to various needs of the textile industry viz south India Textile Research Association (SITRA), Bombay Textile Research Association (BTRA), Northern India Textile Research Association (NITRA), Synthetic and Art Silk Mills Research Association (SASMIRA), Manmade Textile Research Association (MANTRA), Indian Jute Industries Research Association (IJIRA), Ahmedabad Textiles Industries Research Association (ATIRA) and Wool Research Textile industries (WRA). In the 11th Five Year Plan, Rs. 34 crores was available under the R&D efforts in the sector during the 12th Five year Plan."

19. The Committee note that during the 12th plan, Rs 7 crore (i.e. @Rs 1.40 crore p.a.) has been proposed for Research and Development. The Committee find that against a total budgetary allocations of Rs. 5000 crore of Ministry of Textile for the year 2011-12, only Rs 1.40 crore, which is not even one percent, has been allocated for R&D and is far from satisfactory. Keeping in view the fact that India lags far behind other leading textile exporting countries as far as innovative and technology intensive products are concerned. While reiterating their earlier recommendation that the Government should come out with a comprehensive R&D policy, the Committee also recommend that a policy be framed for increasing the country's share of advanced technology-based products and high value-added items in global market and to provide a special focus on eco-friendly textiles that would help in reducing carbon footprint. The Committee further desire the Government to ensure monitoring of the expenditure incurred annually and progress made by the TRAs and other R&D projects & Research centres receiving grants from the Government.

CHAPTER-II**RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN
ACCEPTED BY THE GOVERNMENT.****(Recommendation para No. 3.13)**

The Committee note that against the budget allocation of Rs.4725 crore (Rs.1215 crore for VSE section and Rs.3510 crore for I&M), an amount of Rs.976.17 crore was utilized for various schemes under VSE Section, and Rs.3265.55 core for I&M sector. Although, the Government have taken steps for even spread of expenditure over the four quarters of the financial year, the Committee are unhappy to note that despite weekly reviews, Rs.483.28 crore remained unspent for various schemes and a major portion of the unutilized amount of Rs.310.18 crore i.e. 65.6 per cent of the budget outlays earmarked for the North Eastern States could not be utilized during the year 2010-11. The reasons forwarded by the Ministry such as non-receipt of viable proposals from North Eastern States under handlooms and jute, non-finalization of insurance agency, delayed receipt of bills, no demand under TUFs, delay in acquisition of land and obtaining statutory clearances, etc are not acceptable to the Committee. They are interested in fructification of schemes and programmes and in tangible results. The Committee deplore that the Ministry has failed to achieve the desired targets and utilization of funds during the last 4 years of the 11th plan period. The Committee feel that as 10% of the total allocation of funds to the Ministry is to be expended on development activities in North Eastern States, the onus to create and make available the infrastructure to set up and develop supporting infrastructure of all their schemes/projects lies with them. The Committee find that there is lack of awareness regarding the TUFs and SITP Schemes in North Easter Region and

therefore, recommend that more vigorous efforts be made to make the people of North East aware of the benefits of the Schemes. The Committee also recommend the Government to take all and appropriate measures, regardless of the impediments, to give an impetus to the development of Textile Sector in the North Eastern region and ensure that the budgetary allocations for the year 2011-12 are fully utilized. The Committee would like to be apprised of the action plan of the Government in this regard.

Reply of the Government

- A. Initiatives taken/proposed to be taken by the Ministry of Textiles for creating Awareness about TUFS, SITP and other Schemes in the North East.

The Ministry of Textiles, through the office of the Textile Commissioner in association with PSC (IJIRA), Guwahati and concerned State Govt. authorities in NE State has been making vigorous efforts to popularize the different schemes under TUFS and other schemes like MGWS & SITP by organizing Seminar/ Workshop/ Awareness-cum-Facilitation Campaign/ Buyer-Seller Meet/ ECC meeting in different places in the North Eastern Region since long period. The efforts made in this regard during the last 5 years is summarized in the following table:

Details of Seminars/Workshops conducted in the North East for creating awareness about various textile sector schemes.

Year	No. of Seminars/Workshops	Venue	Date	No. of participants
2006-07	2	Guwahati (Assam)	18.12.2006	80
		Dimapur (Nagaland)	12.02.2007	170
2007-08	2	Agartala (Tripura)	20.04.2007	55
		Imphal (Manipur)	07.01.2008	60
2008-09	1	Aizwal (Mizoram)	29.05.2008	94
2009-10	1	Guwahati (Assam)	12.06.2009	160
2010-11	6	Guwahati (Assam)	13.05.2010 & 14.05.2010	29
		Guwahati (Assam)	23.06.2010	63
		Imphal (Manipur)	21.07.2010	250
		Shillong (Meghalaya)	18.11.2010	160
		Aizwal (Mizoram)	28.01.2011	180
		Guwahati (Assam)	25.02.2011 to 27.02.2011	50
2011-12	4	Imphal, Manipur	26.04.2011	25
		Shiloong (Meghalaya)	25.05.2011 &26.05.2011	160
		Guwahati (Assam)	29.06.2011	30
		Imphal (Manipur)	20.07.2011	60
In addition, PSC (IJIRA), Guwahati conducted two Export Consultancy Committee (ECC) meetings during the Financial Year 2011-2011 on 25.04.11 and 20.09.11 at Imphal (Manipur) and Shillong (Meghalaya) respectively.				

Besides the above, PSC (IJIRA), Guwahati conducted 8 Seminar / Workshop during the F.Y.2010-11

B. Initiatives under Handlooms

The North Eastern Region is predominantly a handloom sector since ancient times. As far as Handloom sector is concerned, during the year 2010-11 an amount of Rs.382.05 crore was allocated in RE in respect of General States, out of which, expenditure of Rs.378.19 crore was incurred i.e. 98.99%. An amount of Rs.106.00 crore was also allocated under RE in respect of North Eastern States, out of which, expenditure of only Rs.47.32 crore could be incurred i.e. 44.64% of the total allocation because viable proposals were not received from the North Eastern States.

In order to extend the benefits available in the various handloom schemes and to encourage handlooms in the North Eastern States, the Government of India has already made special provision in the handloom schemes, which not only provide better basic input support, infrastructural support but also Marketing support for the products of North Eastern States. The major steps taken/proposed to be taken by the Government for the development of handloom sector in the North East are the following:

- i. **Establishment of a Mega Handloom Cluster** at Sivasagar in Assam State under Public Private Partnership mode with a project outlay of Rs.70.00 crore for the overall development of the adopted cluster to cover about 25000 looms over a period of 5 years based on the diagnostic study by the cluster Management Technical Agency under the Comprehensive Handloom Cluster Development Schemes.
- ii. **Establishment of 2 Handloom Clusters** with coverage of about 5000 looms at Bijoyagar in Assam and Imphal in Manipur with a project outlay of Rs.2.00 crore each for the overall development of the adopted cluster

- over a period of 4 years based on the diagnostic study by the Clusters Implementing Agency.
- iii. Under the **Integrated Handlooms Development Scheme**, the Government of India has sanctioned 144 handlooms cluster in the North Eastern region covering 67394 beneficiaries and an amount of Rs.3854.73 lakh has been released since 2007-08 till 2010-11. Also, special dispensation has been given under the Basic Input component in the ratio of 90% by GOI, 5% by State Government and 5% by the Beneficiary agency as against the ratio of 70% by GOI 20% by State and 10% by the beneficiary/agency.
 - iv. Similarly, 293 **Group approach projects** have been sanctioned covering 10565 beneficiaries over a period of 2008-09 till 2010-11 and amount of Rs.2275.00 lakh has been released.
 - v. Under the **Marketing and Export Promotion Scheme**, every effort is being made to popularize the handloom products from North Eastern region. 2 Urban Haats (i) Imphal in Manipur and (ii) Agartala in Tripura have been sanctioned, which will provide exclusive platform for the products of North Eastern region.
 - vi. Under the **Mill Gate Price Scheme** actual reimbursement of the freight for transportation of yarn from the factory to the destined place in North Eastern region is being made by the National Handloom Development Corporation. The freight prescribed for reimbursement to N.E State is as under:

Area	For other than Silk & Jute Yarn	Silk Yarn	Jute Yarn	Depot operating charge	Service Charge to NHDC

For NER	3.0%	1.5%	8.5%	2.5%	0.75%
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- vii. The Government of India under the **Handloom Weavers Comprehensive Welfare Scheme** has been providing Health Insurance coverage through ICICI Lombard and Life Insurance cover through Life Insurance Corporation of India. During the Policy year 2010-11 (i.e. December, 2010 to November, 2011) in case of Health Insurance Schemes (HIS) and for 2011-12 (i.e. April, 2011 to March, 2012) in case of **Mahatama Gandhi Bunkar Bima Yojana (MGBBY)**, it is expected to enroll 7.23 lakh weavers in NER (including renewal) under Handloom Weavers Comprehensive Welfare Scheme (HWCWS) (both under HIS & MGBBY). Upto September, 2011, Rs.13.19 crore has been released for enrollment in NER under HWCWS. It is expected that Rs.33.21 crore will be released by November, 2011 to enroll the targeted number of weavers in North Eastern Region (NER).The implementing Agencies i.e. ICICI in case of HIS and LIC in case of MGBBY have been directed to make efforts to organize awareness camps and generate adequate publicity in the NER Region to achieve the physical target of enrolments.
- viii. **Weavers' Service Centre:** Three Weavers' Service Centres are functioning in the North-East Region, one each at Guwahati, Agartala and Imphal. These centers have been providing technical support services to the handloom weavers for product development, quality upgradation, increasing productivity, revival of languishing crafts through training programmes, exhibitions, workshops and specific Research & Development projects. The Weavers' Service Centre at Guwahati has been upgraded as

Regional Design Centre for the entire North-Eastern region to improve the competitive needs of handloom products.

- ix. **Indian Institute of Handloom Technology:** With a view to meeting long-felt need of providing the necessary technical personnel for the development of the handloom industry, the Government of India started an Indian Institute of Handloom Technology at Guwahati in the year 1982. The main objectives of the Institute is to provide technically qualified human resource, undertake experimental and research programmes in all aspects of the handloom industry, to lay down the highest possible technical standard of training programmes for technical personnel to be employed in the handloom and powerloom sectors, to devise channels of service in order to build up the closest possible liaison between the Institute and handloom production units.
- x. **National Handloom Development Corporation:** The Corporation has been operating three offices in NE States at Guwahati, Imphal and Agartala. The Corporation has given the following facilities to buyer handloom agencies of North Eastern States:-
- (a) Full reimbursement of the freight under Mill Gate Price Scheme.
 - (b) The depots for supply of yarn, recommended by the State Directorate of Handloom & Textiles of concerned States have been approved.
 - (c) 34 spot dyers training programme has been organized in the last three years, Corporation also organizes Appropriate Technology Exhibitions to disseminate the latest technology to the handloom weavers for their benefit.
 - (d) North Eastern Handloom and Handicraft Development Corporation: NEHHDC is a national level organization which

takes care of the marketing needs of the handloom sector in North-Eastern Region.

C. **Initiatives under Handicrafts**

In so far as the handicrafts sector in NE is concerned the reasons for low utilization of funds are as under :

- The developmental schemes of the handicrafts sector are grant-in-aid schemes, which are implemented through NGOs, Cooperatives, etc. Majority of Implementing Agencies are local NGOs with inadequate capacity and no exposure. Further, it being a highly decentralized sector, the NGOs often find it difficult to assess the ground level.
- Problems of the artisans to come up with good, comprehensive and viable proposals.
- Delay in settlement of accounts of earlier grants (Pendency of Utilization Certificate), etc.

The steps taken for improvement in the implementation of schemes, include the following:

- Inviting proposals through News Paper advertisement ensuring transparency, & greater awareness about the schemes.
- A fortnightly review on implementation of Rajiv Gandhi Shilpi Swasthaya Bima Yojana introduced at field, Regional Office and Headquarter levels.
- Effective implementation will be ensured by undertaking periodic reviews.
- The existing monitoring and review system will be strengthened.
- Periodicity of monitoring and review be increased in a need based manner etc.

- For effective implementation of schemes, proposals for the ensuing financial year are being sought in time bound manner for scrutiny and consideration.
- Workshops are being organized at Regional Level, alongwith field offices & NGOs, to create greater awareness.

All these measures will not only lead to the development of textiles sector in the North Eastern region but it is also expected that the budgetary allocations for the year 2011-12 may be fully utilized.

The Committee note that the Government had introduced TUFS with a view to modernize the textile industry. The Government have also given special subsidy for new Hi-tech machinery developed indigenously. The Committee also note that second hand machinery fulfilling certain specifications can, however, be imported under TUFS. In view of the fact that textile industry has always preferred used vintage machinery from other countries and also new cheap machines, the Committee feel that no subsidy be given to import of second hand machinery of the technological specifications similar to the one being manufactured in India and the duty concession be restricted only to domestic manufacturers competing with the country(ies) producing cheap and often sub-standard machines. The Committee also desire the Government to ensure standard bench mark regarding quality and standard of the new/vintage machines imported.

(Reply of the Government)

Technology Upgradation Fund Scheme (TUFS) was launched in April 1999 to facilitate technology upgradation of the textile industry to meet the challenges of the quota free globalised trade. The scheme aims to provide access to timely and adequate capital at internationally comparable rates of interest to enable textile industry to upgrade its technology level. The scheme has facilitated installation of

state of the art machinery by the textile industry. It would not be wrong to say that TUFSS has transformed ‘sunset industry’ into a ‘sunrise industry’. The scheme was continued in modified form w.e.f. 01.04.2007 to 28.06.2010. The scheme has again been launched in restructured form for the period 28.04.2011 to 31.03.2012.

As per Para 3.2 of the Government Resolution no. 6/5/2011 – TUFSS dt. 28.4.2011 on restructured TUFSS, generally only new machinery will be permitted, however, the following imported second hand machinery are also eligible under Restructured TUFSS:

Air jet, Projectile, Rapier and Waterjet shuttleless looms fitted with or without electronic jacquard / electronic dobby and with or without high speed direct beam warper with creel and/or sectional warping machine with auto stop and tension control of upto 10 years’ vintage and with a residual life of minimum 10 years and with the value cap of Rs. 8.00 lakh.

The technology of the machines under the Scheme are benchmarked. The list of machines alongwith their specifications are covered in Annexes A to N of the GR stated above. Specifications for the new brand new shuttleless looms have been given in Circular No. 2 (2011-2012 Series) dt. 29.7.2011 issued under the Scheme, which is reproduced below:

Specifications for brand new Rapier Loom, Projectile Loom, Airjet looms and Waterjet Looms

S. No	Type of loom	Specifications
1.	Rapier Loom	Weft insertion rate not less than 650 mtrs. per minute with or without electronic dobby / electronic jacquard

2	Projectile Loom	Weft insertion rate not less than 750 mtrs. per minute with or without electronic dobby / electronic jacquard
3	Airjet Loom	(i) Weft insertion rate not less than 1200 mtrs. per minute without electronic dobby / electronic jacquard (ii) Weft insertion rate not less than 900 mtrs. per minute with electronic dobby / electronic jacquard
4	Waterjet loom	(i) Weft insertion rate not less than 1000 mtrs. per minute without electronic dobby / electronic jacquard (ii) Weft insertion rate not less than 800 mtrs. per minute with electronic dobby / electronic jacquard

Imported second hand machinery stated in Para 3.2 of the GR stated above are eligible only upto a specified value caps. The value caps are specified in Circular No. 1 (2011-2012 Series) dt. 1.6.2011 issued under the Scheme, which are reproduced below:

S. No	Description of the second hand imported machinery	Specifications/ Model	Upper ceiling on Benchmarked price for subsidy purposes Rs. Lakh	
			EU Countries	Non EU Countries
1.	Projectile looms irrespective of shedding	P-7100, P-7150 P-7200, P-7250	8.00	—

	mechanism			
2.	Airjet looms irrespective of shedding mechanism	Irrespective of speed/width	8.00	5.50
3.	Waterjet loom irrespective of shedding mechanism	Width 190 cm. And above	4.00	2.50
		Width less than 190 cm.	3.00	1.50
4.	Rapier loom	Width 190 cm. and WIR more than 750 mpm	8.00	4.50
		Width 190 cm and WIR more than 450 mpm but less than 750 mpm	6.00	3.50
		Width more than 190 cm.	8.00	4.50

Hence, only new machinery with benchmarked technology are eligible under TUFs except those specified above with the specified technology and prescribed value cap.

Second hand machines were earlier allowed for the spinning sector also. Now under the Restructured TUFS the scheme has been rationalized and only specified second hand machines with value caps in weaving sector is eligible for benefits under TUFS. Accordingly as per Para 3.2 of the Government Resolution No. 6/5/2011-TUFS dated 28.4.2011 on Restructured TUFS, generally only new machinery will be permitted, however the following imported second hand machinery are also eligible:

Air jet, Projectile, Rapier and Waterjet shuttleless looms fitted with or without electronic jacquard / electronic doobby and with or without high speed direct beam warper with creel and/or sectional warping machine with auto stop and tension control of upto 10 years' vintage and with a residual life of minimum 10 years and with the value cap of Rs. 8.00 lakh

(Recommendation para No. 3.18)

The Committee observe that budgetary allocations of Rs.883.08 crore were made to Ministry of Textiles towards non-plan expenditure during 2010-11. This was enhanced to Rs.2043.85 crore at RE stage to meet the pending liabilities on increase in Minimum Support Price – cotton allocation and increase in 10% handloom rebate scheme besides the increase in loans to BIC and NJMC and payment of salary/wages. The Committee are concerned to note that although they had in their 11th report on Demands for Grants (2010-11) of Ministry of Textiles (15th Lok Sabha) recommended that, in view of the need for sustainable growth of textile industry, funds should not be released at the fag end of the year, yet, the balance amount of non-plan funds as revised during 2010-11 was released only in March, 2011. The Committee are dismayed to note the huge increase in allocation

of funds at the RE stage that too for clearing the statutory dues and payment of salary/wages. The Committee, therefore, recommend that prudent measures be taken by the Government for realistic planning and timely release and utilization of funds. The Committee would also like to be apprised of the delay, if any, in payment of salary/wages to the employees of BIC due to delayed release of funds.

(Reply of the Government)

The Salaries of the employees are sought through the RE-BE estimates well in time and released as soon as budgetary grants are received. Presently, salaries upto the month of September, 2011 have been paid. Further, funds have been sought for payment of salary for the next 6 months through the Second Supplementary in the Demands for Grants.

Whenever the market price of kapas falls below / touches the Minimum support Price (MSP), cotton Corporation of India Ltd. (CCI) is mandated to undertake support price operation and purchases kapas rates were under pressure and ruled at MSP level. Hence the Cotton Corporation of India (CCI) agency identified by the Government of India had to undertake MSP operations to meet losses suffered on account of procurement of kapas from the farmers during the 2010-11.

Initially only an amount of Rs. 244 crores was budgeted during 2010-11 which was later on enhanced to Rs. 1217 crores at the R.E. stage to enable the CCI to meet losses suffered on the procurement of kapas from the farmers.

(Recommendation para No. 3.25)

The Committee are surprised to note that not a single demand for TUFs has been received in North Eastern Region as of now and the Government have

abdicated their responsibility by merely stating that North Eastern region is not a textile activity region in- spite of the fact that about 21.75 lakh people are engaged in handloom sector as per Handloom census, 2009-10. The reply of the Government that there is no scope for incurring any expenditure under TUFs and SITP in the North Eastern Region is not acceptable as by Government's own admission about 21.75 lakhs people are engaged in the handloom sector. In their considered view, the Committee feel that the Ministry has failed to promote their flagship schemes in the North-Eastern Region. While recommending that the Government constitute an expert group to advise them for popularization of TUFs and SITP in North Eastern Region, the Committee also urge the Government to set up their own textile centres in the North Eastern region, train unemployed people and educate them about the benefits of TUFs or alternatively cooperatives may be convinced/motivated to set up modernized textile units in the North Eastern Region. The Committee would like to be apprised of the steps taken by the Government in this regard.

(Reply of the Government)

Government in consultation with State Government will constitute an Expert Group for popularization of TUFs and SITP in the North East region.

Government of India will seek to further strengthen the Guwahati Powerloom Service Centre under the Integrated Skill development Scheme to develop a skilled workforce in the North Eastern region for textile Sector.

During the current year, the following initiatives were taken in respect of TUFs and SITP:

- A workshop was held in Shillong under the aegis of DC(Handicrafts) on promotion of Textiles Industry in North East for promotion of TUFs and Skill Development initiatives in July 2011.

- An Integrated Textiles park has been sanctioned in Tripura (Agartala) under the SITP scheme in August 2011.

The Government accepts all the recommendations of the committee under Para 3.25. The details on the constitution of the expert group for popularization of TUFs & SITP in the North East region will be submitted by January, 2012 following inter Ministerial consultation.

(Recommendation para No. 3.29)

The Committee note that the Government had introduced TUFS with a view to modernize the textile industry. The Government have also given special subsidy for new Hi-tech machinery developed indigenously. The Committee also note that second hand machinery fulfilling certain specifications can, however, be imported under TUFS. In view of the fact that textile industry has always preferred used vintage machinery from other countries and also new cheap machines, the Committee feel that no subsidy be given to import of second hand machinery of the technological specifications similar to the one being manufactured in India and the duty concession be restricted only to domestic manufacturers competing with the country(ies) producing cheap and often sub-standard machines. The Committee also desire the Government to ensure standard bench mark regarding quality and standard of the new/vintage machines imported.

(Reply of the Government)

Technology Upgradation Fund Scheme (TUFS) was launched in April 1999 to facilitate technology upgradation of the textile industry to meet the challenges of the quota free globalised trade. The scheme aims to provide access to timely and adequate capital at internationally comparable rates of interest to enable textile industry to upgrade its technology level. The scheme has facilitated installation of state of the art machinery by the textile industry. It would not be

wrong to say that TUFS has transformed ‘sunset industry’ into a ‘sunrise industry’. The scheme was continued in modified form w.e.f. 01.04.2007 to 28.06.2010. The scheme has again been launched in restructured form for the period 28.04.2011 to 31.03.2012.

As per Para 3.2 of the Government Resolution no. 6/5/2011 – TUFS dt. 28.4.2011 on restructured TUFS, generally only new machinery will be permitted, however, the following imported second hand machinery are also eligible under Restructured TUFS:

Air jet, Projectile, Rapier and Waterjet shuttleless looms fitted with or without electronic jacquard / electronic dobby and with or without high speed direct beam warper with creel and/or sectional warping machine with auto stop and tension control of upto 10 years’ vintage and with a residual life of minimum 10 years and with the value cap of Rs. 8.00 lakh.

The technology of the machines under the Scheme are benchmarked. The list of machines alongwith their specifications are covered in Annexes A to N of the GR stated above. Specifications for the new brand new shuttleless looms have been given in Circular No. 2 (2011-2012 Series) dt. 29.7.2011 issued under the Scheme, which is reproduced below:

Specifications for brand new Rapier Loom, Projectile Loom, Airjet looms and Waterjet Looms

S. No	Type of loom	Specifications
1.	Rapier Loom	Weft insertion rate not less than 650 mtrs. per minute with or without electronic dobby / electronic jacquard
2	Projectile	Weft insertion rate not less than 750 mtrs. per minute with or

	Loom	without electronic dobby / electronic jacquard
3	Airjet Loom	(iii) Weft insertion rate not less than 1200 mtrs. per minute without electronic dobby / electronic jacquard (iv) Weft insertion rate not less than 900 mtrs. per minute with electronic dobby / electronic jacquard
4	Waterjet loom	(iii) Weft insertion rate not less than 1000 mtrs. per minute without electronic dobby / electronic jacquard (iv) Weft insertion rate not less than 800 mtrs. per minute with electronic dobby / electronic jacquard

Imported second hand machinery stated in Para 3.2 of the GR stated above are eligible only upto a specified value caps. The value caps are specified in Circular No. 1 (2011-2012 Series) dt. 1.6.2011 issued under the Scheme, which are reproduced below:

S. No	Description of the second hand imported machinery	Specifications/ Model	Upper ceiling on Benchmarked price for subsidy purposes Rs. Lakh	
			EU Countries	Non EU Countries
1.	Projectile looms irrespective of shedding mechanism	P-7100, P-7150 P-7200, P-7250	8.00	–
2.	Airjet looms irrespective of shedding mechanism	Irrespective of speed/width	8.00	5.50
3.	Waterjet loom irrespective of	Width 190 cm. And above	4.00	2.50

	shedding mechanism	Width less than 190 cm.	3.00	1.50
4.	Rapier loom	Width 190 cm. and WIR more than 750 mpm	8.00	4.50
		Width 190 cm and WIR more than 450 mpm but less than 750 mpm	6.00	3.50
		Width more than 190 cm.	8.00	4.50

Hence, only new machinery with benchmarked technology are eligible under TUFs except those specified above with the specified technology and prescribed value cap.

Second hand machines were earlier allowed for the spinning sector also. Now under the Restructured TUFs the scheme has been rationalized and only specified second hand machines with value caps in weaving sector is eligible for benefits under TUFs. Accordingly as per Para 3.2 of the Government Resolution No. 6/5/2011-TUFs dated 28.4.2011 on Restructured TUFs, generally only new machinery will be permitted, however the following imported second hand machinery are also eligible:

Air jet, Projectile, Rapier and Waterjet shuttleless looms fitted with or without electronic jacquard / electronic dobby and with or without high speed direct beam warper with creel and/or sectional warping machine with auto stop and tension control of upto 10 years' vintage and with a residual life of minimum 10 years and with the value cap of Rs. 8.00 lakh

(Recommendation para No. 3.31)

The Committee observe that plan outlays for Handloom Sector during the first four years of 11th plan were not fully utilized and as against approved outlays of Rs.315 crore, Rs.340 crore, Rs.340 crore and Rs.488.05 crore during 2007-08, 2008-09, 2009-10, 2010-11, the actuals were Rs.292.58 crore, Rs.324.44 crore, Rs.329.29 crore and Rs.425.51 crore respectively. The Plan Outlays for all the Handloom schemes viz., Integrated Handlooms Development Scheme, Marketing & Export Promotion Scheme, Handloom Weavers Comprehensive Welfare Schemes and Diversified Handloom Development Scheme except the Mill Gate Price Scheme fell short of the targets. The Committee are dismayed to note that against a total provision of Rs.106 crore for Handloom Sector to be spent in North Eastern Region, the actual funds released were only Rs.47.32 crore, till 31st March, 2011. While observing that shortfall is mainly reported in case of North Eastern Region particularly in Handloom Weavers Comprehensive Welfare Scheme, as the policy period is not co-terminus with the financial year and will continue until 30th November, 2011, the Committee are concerned to note that only Rs.13.19 crore were released under the scheme during 2010-11 out of a total plan outlay of Rs.66 crore. The Committee, therefore, strongly urge the Government to ensure that the funds allocated for this welfare scheme are fully utilized by 30th November, 2011 and the physical targets set are fully achieved.

(Reply of the Government)

Year-wise funds allocated and expenditure incurred are given as under in respect of North Eastern States:

Year	BE	Expenditure	%w.r.t (BE)
2007-08	63.00	62.11	98.58
2008-09	85.00	69.79	82.11
2009-10	85.00	77.00	90.58
2010-11	106.00	47.32	44.64
2011-12 (as on 30 th Sept.)	80.00	18.52	23.15

During the Policy year 2010-11 (i.e. December, 2010 to November, 2011) in case of Health Insurance Scheme (HIS) and for 2011-12 (i.e. April, 2011 to March, 2012) in case of Mahatama Gandhi Bunkar Bima Yojana (MGBBY), it is expected to enroll 7.23 lakh weavers in NER (including renewal) under Handloom Weavers Comprehensive Welfare Scheme (HWCWS) . Uptill September, 2011, Rs.13.19 crore has been released for enrollment in NER under HWCWS. It is expected that Rs.33.21 crore will be released by November, 2011 to enroll the targeted number of weavers in North Eastern Region (NER).

The implementing Agencies i.e. ICICI in case of HIS and LIC in case of MGBBY have been directed to make efforts to organize awareness camps and generate adequate publicity in the NER Region to achieve the physical target of enrolments.

(Recommendation para No. 3.32)

The Committee note that though the total number of handloom weavers in the country is 43 lakhs, the Government have announced a package of Rs.3000 crore for 15000 weavers societies having more than 3 lakhs weavers in phases. The package includes waiver of overdue interest and overdue loans of Societies, recapitalization of the balance sheet of Primary Weavers Cooperative Societies and State level Apex Societies with adequate fund support from Governments and financing the credit needs of handloom weavers/ Societies at lower rate of interest with interest subvention etc. The Committee would like the details of the implementation plan of the package by the Government and the plan of the Government to give financial support to those handloom weavers who are outside cooperative fold as a large number of handloom weavers are dependant on private money lending.

(Reply of the Government)

In the Budget Speech of 2011-12 Hon'ble Finance Minister has announced the Financial Package worth Rs. 3000 crore for waiver of loans and interest of handloom weavers of the country.

- The package is for 15000 Viable & potentially viable Co-operative Societies and will benefit more than 03 lakh handloom weavers.
- The financial package will open choked credit lines for the handloom weavers.
- In pursuance to the Budget Speech (2011-12), a package worth Rs.3970 crore has been submitted to the Planning Commission on 13.6.2011, as per

following break-up. In this package, the Government of India's share is worked out to be Rs.3266 crore.

Sl.No.	Component	Cost (Rs. crore)
1.	Recapitalization (80:20 to be shared between GoI & State Govt.)	2521.00 (approx.)
2.	Expected escalation on account of shift in cut off date from 31.03.2007 to 31.03 2010(80:20 to be shared between GoI & State Govt.)	500.00
3.	Waiver of individual weaver loan in the Package (80 :20)	500.00
4.	Strengthening weaver cooperative societies	114.00
5.	Training for the functionaries	30.00
6.	Interest Subvention for fresh loans	240.00
7.	Credit Guarantee Mechanism	25.00
8.	Loss assessment exercise & Cost of Implementation	39.36
	Total	3969.30 say 3970 crore

The salient features of the Financial Package are:

- i. Total cost for loan waiver and recapitalisation are estimated at Rs. 3021 crore (Rs. 2521+Rs. 500) for AWCS and PWCS. A sum of Rs. 500 crore is estimated for waiver of overdue loans as on 31st March 2010 extended by Banks to individual weavers. However, actual losses will be based on actual loss assessment exercise on the basis of agreed norms.
- ii. The Govt. Of India share in loan waiver and recapitalisation would be

- Rs.3266 crore (80% of recapitalisation) and the State share would be Rs. 704.20 crore (20% of recapitalisation)
- iii. The repayment from this package for loan waiver will be limited to 100% of overdue principal and only 25% of overdue interest as on the date of loan becoming NPA. The balance 75% of overdue interest and the entire penal interest, if any, will have to be written off by the bank as a pre-condition.
 - iv. Components 4 to 8 above (Rs. 449.00 crore) will be funded entirely by GoI.
 - v. Receivables from Central and State Governments, including institutions/agencies under the control of the State Governments, which amount to approximately Rs. 300 crore will be paid outside the package, separately, as a pre-condition.
 - vi. The release of recapitalisation assistance would be linked to commitment to carry out institutional & legal reforms by the State Governments.
 - vii. On the lines of ADWDR Scheme of Govt.of India, wherein banks agreed to issue fresh loans, once the overdue agricultural loans were written off, Recapitalisation of losses & repayment of outstanding loans to Banks under the package would be subject to commitment to give fresh loans. A format wherein banks agree to extend fresh loans in lieu of receipt of old outstanding weaver loans would be an integral part of the loss assessment guidelines.
 - viii. NABARD would be designated as the implementing agency for the scheme. However, for guiding and monitoring the implementation of the scheme at National, State and District levels, Implementing and Monitoring Committees would be constituted. The scheme will be implemented once an MOU is signed by the major stake holders, viz,

Government of India, State Governments and NABARD.

- ix. The entire package assistance will be non-recurring in nature, except for the component on interest subvention.
- x. Regarding the coverage of individual weavers, it is clarified that the financial package will also cover individual weavers and once implemented, it would result in relief to more than 3 lakh individual weavers and 15000 cooperative societies, and they will be able to access institutional credit once again.

(Recommendation para No. 3.34)

The Committee further note that lack of awareness of Government policies regarding handloom industry and clusterisation has also contributed to the decline in the number of handloom weavers. Limited availability of skilled workers and technicians have further aggravated the problem. The Committee desire that information about facilities being made available by Government and financial institutions may be disseminated to clusters through regular newsletters and through the mass media. The Committee are of the considered view that the procedures for sanction of loans should be simplified and liberalized, the loans should be given on single window concept and in a time bound manner. The Committee feel that besides formation of clusters, the Government should also take necessary steps to ensure successful operation of handloom clusters already formed since success of existing clusters will induce other individuals to come together as clusters and consolidate their gains.

(Reply of the Government)

Under the Integrated Handloom Cluster Development Scheme (Phase-I), 400 awareness camps were organized involving 29580 weaver from the clusters to

make weavers aware about the scheme and its benefits. 202 dyers workshops were organized with participation of 2952 dyers, leading to improvement in dyeing technology. 3312 new designs developed by professional designers in the cluster to provide marketable products. 69 managerial training programmes were organized for members of consortiums and local institutions for strengthening the institution building apart from publicity through print media and other materials such as leaflets, banners are being used.

In addition to above, the Government of India is taking all possible steps to ensure successful implementation of handloom clusters already formed so that the success of existing clusters will induce other individuals to come together as clusters and consolidate their gains. For example, concept of formation of SHG's in the scheme is not only to go in for business at once, but to encourage the weavers to understand the concept of collective work and its advantages. However, it takes time for these SHGs to understand the concept in its true spirit. Once the weavers realize that the SHGs can be converted as cohesive production and marketing units, they will take up these activities willingly and banks will also finance such groups unhesitatingly. Similarly, advantages of organizing/participation in various exhibitions/expos/BSM boost the sales, setting up of Common Facility Centre (CFC) and Dyes House can be used by the weavers on user charge basis to avail the facilities.

(Recommendation para No. 3.37)

The Committee are perturbed to note that although projects worth Rs.288.24 crore were sanctioned under Component-I of IHDS launched in 2010-11 in the pilot mode for two years under the head Human Resource Development, only

Rs.41.72 crore were disbursed during 2010-11 against the BE of Rs.131.49 crore and RE of Rs.92.31 crore to train 2 lakh weavers. Further, a provision of Rs.110 crore has been made for the scheme in the Annual Plan 2011-12 of the Ministry. The Committee also observe that though the Government have initiated Integrated Skill Development Scheme in the year 2010-11 for training the entrepreneurs, weavers, skilled and unskilled workers, the scheme has not made much headway yet. The Committee, therefore, hardly need to emphasize that the Government take necessary steps in right earnest to ensure that the allocated funds are fully utilized for fruition of the objectives of the scheme. The Committee also recommend that the courses to be offered must be based on the market and local requirements etc. and apart from the skill development initiatives, the short term courses on handling of machines, labour management, market trends, pollution control, designs and quality control may also be organised in rural/remote areas and preferably in their local languages. The Committee would like to be apprised of the project sanctioned under the pilot scheme and the current status of their implementation.

(Reply of the Government)

The scheme IHDS as mentioned in the observation of the Committee may be read as Integrated Skill Development Scheme, (ISDS). The ISDC scheme was launched in July 2010 in the pilot mode for the XI Five year Plan. The scheme has two components.

A total project cost was approved at Rs. 229 crore. The budget estimate for 2010-11 was Rs. 166.13 crores which was reduced to Rs. 92.31 crore at RE stage, as the scheme was started in the mid of the year 2010. As per the plan outlay of Ministry of Textiles, the provision for this purpose was Rs.131.49.

During budget estimates for the year 2010-11, the budget provision is Rs. 110 crores for Component- I &II of the scheme.

Under Component-II, dealing with projects in Public Private Partnership (PPP) mode, could not be operationalized in the 1st year of the Pilot project. In implementing of Component-II of the scheme, Request for proposals (RFPs) for selection of Lead Implementing agencies (LIAs) were invited and in all 47 bids have been received, out of which 35 projects have been selected. So far 12 LIA's have been recommended by the Project Appraisal and Monitoring Committee (PAMC) which will be placed before the Project Appraisal Committee (PAC) for its approval.

The scheme in its nascent stage saw implementation of only component-I wherein proposals from agencies under this Ministry were taken up for consideration and despite lots of hurdles and initial hiccups only Rs. 41.72 crore were disbursed as initial instalments for projects in 2010-11.

18 projects have been sanctioned under Component- I, with a total cost of Rs. 434 crores with the grant Component of Rs. 322 crores targeting 4.34 Lakhs trainees over a period of next 5 years. So far approximately 140 centres have become operational across India enrolling 15000 candidates. Approximately 4500 candidates have been successfully trained, out of which 45% trainees have been placed in the industry.

The committees' recommendations that the courses to be offered must be based on the market and local requirements etc.; apart from the Skill Development initiatives are noted.

(Recommendation para No. 3.49)

The Committee are concerned to note that although the Wool Development Board has utilized Rs.15.03 crore against the available grant of Rs.15 crore for wool and woollen sectors during 2010-11, the physical targets for different schemes are much below the targets fixed. Against the targeted 9 lakh new sheep to be covered under Sheep and Wool Improvement Scheme, only 6 lakh sheep were covered during 2010-11. Similarly, out of the targeted 93500 shepherds to be covered only 14358 have been covered under 'Sheep Breeders Insurance Scheme' and only 423953 sheep have been covered under 'Sheep Insurance Scheme' against the target of 9 lakh sheep. The Committee further note that the targets set for Angora wool Development, Promotional activities, CFC for integrated wool processing could not be achieved during the year. While observing the under achievement of physical targets of various developmental schemes in woollen sector during 2010-11, the Committee would like to be apprised of the reasons as to how the funds allocated for the purpose are fully utilized without accomplishing the given targets. The Committee view this as a poor reflection on budget estimation process and lack of unrealistic planning. As the Government is unable in popularizing the social security scheme, the Committee recommend that sheep breeders also be covered under the Rashtriya Swasthya Bima Yojana (RSBY) and that serious illnesses which require specialized treatment may be covered under the Sheep Breeders Insurance Scheme, which at present only covers death and total and partial disability. To make the scheme popular and maximizing its reach to the

people, the Committee desire that the Panchayats be involved in full measure in implementation of these social security schemes.

(Reply of the Government)

The Central Wool Development Board (CWDB) achieved Physical targets under Integrated Wool Improvement and Development Programme (IWIDP) as fixed under its scheme. The CWDB was to cover total 26 lakh sheep under Sheep & Wool Improvement Scheme (SWIS) during 11th plan as per approved EFC note and against this target, the Board covered 32 lakh sheep as tabulated under :

SN	Year	Target to benefit sheep as set in EFC Note	Sheep benefited during 11 th Plan (Achievements)
1	2007-08	4.5 lakh sheep	6.75 lakh sheep
2	2008-09	13.5 lakh sheep	9.25 lakh sheep
3	2009-10	8 lakh sheep	10.5 lakh sheep
4	2010-11		5.5 lakh sheep
5	2011-12		-
	Total	26 lakh sheep	32 lakh sheep

Scheme-wise Physical targets achieved during the 11th Five Year Plan (upto Sept.,2011) against the targets set in EFC/SFC Note of Board's schemes are as under:

SN.	Name of scheme	Total targets as per EFC/SFC for 11 th Plan	Actual achievement upto Sept.,2011	Shortfall if any
1	Sheep & Wool	26 lakh sheep	32 lakh sheep	--

	Improvement Scheme (SWIS)			
2	Angora Wool Development Scheme	400 families	400 families	--
3	Pashmina Wool Development Scheme	2400 families	2400 families	--
4	Human Resource Development & Promotional Activities	1000 trainees	1013 trainees	--
5	Quality Processing of Wool scheme (Common Facility centre for Pre-loom and Post-loom processing facilities)	14 CFC under Pre-loom & 1 under Post-loom processing facilities.	Established 14 CFCs under Pre-loom processing.	1 CFC under post loom scheme could not be established.
6	Sheep Breeders Insurance under Social Security Scheme	1,35,000 shepherds	88,094 shepherds	Targets could not be achieved fully.

7	Sheep Insurance Scheme under Social Security Scheme	14.55 lakh sheep	4,85,808* sheep	
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*After decentralization of Sheep Insurance Scheme in Oct. 2009, actual region wise figures have not been provided by OIC.

From above, it is clear that except under Insurance Schemes, the Board achieved almost all the targets. Under the scheme of Quality Processing of Wool Scheme, the Board established all 14 Common Facility Centres under Pre-loom processing activity but could not establish one Finishing Centre under post-loom processing facility as no suitable and viable project proposal was received even after repeated advertisements in newspapers.

Sheep Breeders Insurance Scheme & Sheep Insurance Scheme were new schemes and were launched first time during 11th five year plan and require very active participation from mostly poor and illiterate sheep breeders who is on migration most of the time along with their sheep flock. The Sheep Breeder Insurance Scheme is being implemented by Life Insurance Corporation of India (LIC) and Sheep Insurance Scheme by Oriental Insurance Corporation of India (OIC) and both these Schemes were to be implemented in all wool producing states in India i.e. J&K, HP, Uttarakhand, Rajasthan, Haryana, Gujarat, Maharashtra, A.P. & Karnataka etc.

During the financial year 2008-09, the No. of Sheep Breeder Insurance and Sheep Insurance Scheme got some momentum as large number of SWIS projects were sanctioned to different NGOs / Implementing Agencies and as these NGOs were working at the field level with sheep breeders for implementation of health

care, breed improvement and other components of the SWIS, are at the same time also helping them in filling the insurance form, collecting these forms and submitting the same to Insurance Agencies.

But it was found at implementation stage that whole process of insurance including settling claim from Insurance Agencies was a cumbersome and difficult process to be fulfilled by illiterate or semi literate sheep breeders. Some of these difficulties faced by sheep breeder are as under.

- f) Immediate intimation of death of the insured sheep by the sheep Breeder/Nodal Agency and within 24 hours to insurance company.
- g) Ear Tag applied to the animals should be surrendered or otherwise claim will be rejected.
- h) In cases where tags are lost and intimation has already been given to the insurance company but the re-tagging has not been carried out, the claim will be considered by Insurance agency on merits.
- i) Submission of Panchnama/ FIR/ Postmortem Report, in case of Accidents.
- j) When the claim per instance exceeds five animals, Photograph of carcasses with ear tag intact along with the beneficiary shall be submitted.

Sheep Insurance was a new activity to OIC, Jodhpur and it was not fully equipped to take up this scheme at national level due to shortage of man power.

Initially the Oriental Insurance Co. Ltd. (OIC) implemented the scheme all over India from Jodhpur regional office only. All papers related to Insurance and for death claim were reaching OIC Jodhpur office which was very small office with very limited staff and lead to abnormal delay in Claim settlement. It was also very difficult for NGO/ Implementing Agencies from far-flung area of the country

to come to OIC Jodhpur office and settle the issue and when this difficulty was pointed out by CWDB to OIC, after much persuasion the scheme was decentralized by OIC in October 2009. After decentralization, Regional offices of OIC (in different states) took their own time in understanding the scheme and processing the death claims. It took also some time in transferring all the records related to claim from Jodhpur office to different Regional offices and initially there was total confusion whether a claim will be settled by Jodhpur office or Regional office of the state concerned. But till then lot of time was already passed and many sheep Breeders already discontinued the insurance due to abnormal delay in processing of death claim by OIC.

Physical targets and achievements during 11th Plan of the Central Wool Development Board under different schemes are given below :

1	Name of scheme	Unit	11th Plan targets	2007-08 (Achievement)	2008-09 (Achievement)	2009-10 (Achievement)	2010-11 (Achievement)	2011-12 (Achievement upto Sept.,2011)	Total (Achievements-upto Sept.,2011)
1	Angora Wool Development Scheme	No. of families	400	40	140	20	120	80	400
2	Human Resource Development & Promotional	No. of trainees	1000	206	295	197	225	90	1013

	Activities								
3	Quality Processing of Wool scheme	No. of CFC	14 (Pre-loom) & 1 (Post loom)	6	2	Nil	4	2	14 (Pre-loom facility)

From above table it is clear that during 2009-10, progress was rather slow under Angora Wool Development Scheme and Quality Processing of Wool scheme as in spite of repeated advertisements Board could not get viable and suitable project proposal under CFC and Angora Wool Development Scheme but these shortfalls have been made up in next FY and in all the three components, targets as set for 11th Plan were achieved fully.

Just after launching the schemes of 11th Plan and after getting response from stake holders, it was found that it will be very difficult to achieve targets fully under (i) Quality Processing of Wool Scheme and (ii) Social security Scheme because there was poor response to both these scheme even after repeated advertisement in news papers.

The Board made several marketing efforts for setting up CFC under Post loom activity of Quality Processing of Wool scheme . Scheme was advertised repeatedly in national newspapers. CWDB also held meeting with wool Industrialist in potential wool industry area like Bikaner, Bhadohi, Panipat, Amritsar , Ludhiana etc. but very few suitable and viable projects proposals were received by CWDB .

Similarly in the case of Social Security Scheme, it was found at implementation stage that settling claim from Insurance agencies is a cumbersome

process and very difficult to be complied by illiterate or semi literate sheep breeders who is on the migration most of the time along with his sheep flock and lost interest in the scheme when claim were not settled by Insurance agencies timely and discontinued the insurance.

From the project proposals received from different State Governments it was found that there are large number of project proposals under Integrated Wool Improvement and Development Programme (IWIDP) as these scheme were benefitting Sheep Breeders directly but all these proposals could not be sanctioned within the allocated outlay for IWIDP. On the other side there were savings under Quality Processing of Wool Scheme and Social security Scheme because there were very few suitable and viable project proposals. So after looking into demands of different state Government agencies, advantages of the schemes to sheep breeders and to avoid over all saving in fund allocated to CWDB, it was decided to utilize the savings of Quality Processing of Wool Scheme and Social security Scheme under IWIDP after approval of Ministry of Textiles.

Thus the un-utilized savings of schemes where there was no viable and suitable project proposal, were utilized under components/ scheme where there was demands from State Governments.

Out of total budget allocation of Rs. 67.16 Crore for the 11th Five Year Plan, the Board has already been utilized Rs. 58.24 Crore and expected to utilize remaining grant during current financial year 2011-12, as under :

SN	Annual Plan	11 th Plan allocation	Fund Utilization
1	2007-08		Rs. 13.35 Crore

2	2008-09	Rs. 67.16 Crore	Rs. 14.80 Crore
3	2009-10		Rs. 10.94 Crore
4	2010-11		Rs. 15.03 Crore
5	2011-12 (Proposed)		Rs.4.12 Crores (till Sept. 2011)
	Total	Rs. 67.16 Crore	Rs. 58.24 Crore (till Sept. 2011)

Rashtriya Swasthya Bima Yojana (RSBY) is being implemented by Ministry of Labour and Employment. The CWDB is examining the implementation of the scheme to cover sheep breeders.

(Recommendation para No. 3.50)

The Committee observe that Wool Industry is smaller in size in comparison to other textile industries in India and bulk of the wool produced in India is of low quality and therefore major raw wool requirement has to be imported. Taking note of the low budgetary support of Rs.60 crore during the first four years of the 11th plan, the Committee recommend that urgent and drastic measures be initiated by the Government for strengthening the wool sector including seeking of cooperation from the leading countries in the woollen sector, exchange of programmes, fairs etc. with the special focus on breed improvements, proper health care for sheep and technological advancements in sheep breeding.

(Reply of the Government)

The Planning Commission, Govt. of India approved 11th Plan allocation of Rs. 67.16 Crore only to the Central Wool Development Board, out of total proposed budget estimation of Rs. 89.98 Crore. Out of Rs. 67.16 Crore, the Board has utilized Rs. 58.24 Crore upto Sept.,2011 and expected to utilize remaining grant during current financial year 2011-12.

Under report of Sub Group for Recommending measures for Development of Wool and Woollen Textiles during the 12th Five year Plan, the Board had proposed Rs. 200 Crore for implementation of different schemes for development of wool and woollen textiles with special focus on breed improvements, proper health care for sheep and technological advancements in sheep breeding.

The recommendation/observation of the Standing Committee are accepted and will be implemented/included in 12th Five Year Plan period for strengthening the wool sector including seeking of cooperation from the leading countries in the woollen sector, exchange of programmes, fairs etc. with the special focus on breed improvements, proper health care for sheep and technological advancements in sheep breeding.

(Recommendation para No. 3.52)

The Committee note that under welfare and other schemes for artisans out of Rs.84.11 crore (BE) allocated during 2010-11 only Rs.2 lakhs were spent as on 14.02.2011. Further, against the Revised Estimates of Rs.67.11 crore, the actual utilization for the two welfare schemes for artisans was only Rs.26.19 crore. Moreover, out of the targeted 8,40,000 artisans to be covered under RGSSBY only 1,36,000 were covered whereas under Bima Yojana for artisans against the set target of One lakh, only 89 thousand were covered during 2010-11. The

Committee find the strategy of the Ministry of Textiles to target cooperatives, clusters etc. quite inadequate to cover the entire handicraft sector which is highly unorganized. The Committee, therefore, recommend that the Government should review the performance of the schemes and shortcomings be analyzed, and a strategy to cover maximum artisans be formulated and popularized at the earliest so that maximum artisans benefit from the scheme. Taking note of absence of any organized network for implementation of the welfare schemes, the Committee recommend that the Government should examine whether these social security schemes can be operated through local post-offices.

(Reply of the Government)

As per the Committee's recommendations, the performance of the Scheme has been reviewed with a view to analyse the shortcomings and accordingly a strategy has already been evolved to cover the prescribed physical target and to utilize the allocated budget under the Scheme

Under the RGSSBY scheme, so far as the slow performance in the year 2010-11 is concerned, it is to inform the Committee that during the year 2010-11, in the major part of the year, the process for selection of suitable Implementing Agency was on through the tendering process. The tendering process took more than the expected time because due to some unexpected reasons, the process had to be repeated leading to re-tendering. Consequently, the re-tendering process got completed only towards the end of 2010-11 i.e. in February, 2011. The contract was signed with two Insurance Companies for implementation of RGSSBY, which left the department hardly over a month up to 31.03.2011 to achieve the prescribed target. This explains the low utilization of allocated budget and low physical coverage during the year 2010-11.

However, as advised by the Committee, consequent upon review of implementation of the Scheme, necessary steps to meet the physical targets for the year 2011-12 have been put in place. These efforts shall be further supplemented through a sustained publicity campaign which will involve camp approach at the cluster level where, alongside spot enrollments, awareness will also be organized throughout the country at different locations. The requisite funds in this regard have already been placed with the field formations across the country.

As regards Committee's suggestion of utilizing the services of local Post Offices for implementation of RGSSBY, it is to inform that the artisans under the Scheme receive cashless health care facilities through the network hospitals of the two insurance companies. However, in case of payment of claims may be through Cheque, post offices can be utilized.

As regards Committee's observations about low physical coverage under Janashree Bima Yojana (JBY) in the year 2010-11, it is submitted that it appears that the physical target of 89,000 under JBY has been inadvertently presented in the report since this number relates to coverage under RGSSBY and not JBY. It is now placed on record that the actual coverage under JBY in the year 2010-11 was 1, 37,765 artisans as against the target of 1.00 lakh.

(Recommendation para No. 3.56)

The Committee note that continuous discharge of industrial wastes in rivers and lakes causes environmental hazard. Further, it endangers public health after being channelized in crops/agriculture through polluted rivers/water bodies. The Committee note that the domestic textile industry consumes bulk of low cost dyestuffs at manageable cost for their end product. The Committee also note that

Indian export consignments face restrictions in international markets due to use of polluting dyes. The Committee, therefore, recommend the earnest efforts be made for pollution free manufacturing throughout the country in a stipulated time period. The Committee also recommend that suitable incentives be given to entrepreneurs for preferring the use of non-polluting dyes and for setting up of effluent treatment plants by these units as also to check units producing poor quality dyestuff.

(Reply of the Government)

The Government has allocated Rs 200 crore in the form of Additional Central Assistance (ACA) to the Govt. of Tamil Nadu for establishment of Zero Liquid Discharge System at Tirupur, Tamil Nadu for effluent treatment. Rs. 100 crore has already been released to the State Government of Tamil Nadu. The balance amount could not be released as the State Govt. failed to utilise the amount already released. The Government has also constituted a technical committee to study the technological options proposed by Tamilnadu Water Investment Company to ensure a sustainable and viable technological option to treat effluent discharge of dyeing houses.

So far as handicrafts products other than carpets are concerned, the products are mostly pollution free and no such industrial waste or discharge is used. With regards to carpet Industry, it is to inform that the Carpet Industry has already started using vegetable dyes and high quality imported dyes for dyeing of yarn used for manufacturing of carpets as per the demand of the buyers. However, the recommendations/observations of the Standing Committee on Labour on Demand for Grants will be earnestly taken up.

Handloom Sector is a highly decentralized and dispersed sector and majority of handloom weavers operate as household units. Hence dyeing is done manually in small quantities which require basic equipments viz. utensils, installation of boring pump,

heating equipment. However, emphasis has given on training to the weavers for use of natural dyes. Further, it is to inform that where modern dyeing machines are required, installations of ETP has been preferred in Gadag Handloom Cluster in Karnataka, Samudragarh Dhatrigram (Burdwan) Handloom Cluster in West Bengal, Chirala Handloom Cluster in Andhra Pradesh under IHCDS and Varanasi (U.P), Sivasagar (Assam), Virudhunagar(Tamil Nadu) and Murshidabad (West Bengal) Mega Handloom Clusters under Comprehensive Handloom Cluster Development Scheme (CHCDS).

Manufacture of azo dyes stands banned in India and the domestic regulation is a part of national treatment. Products are being accompanied by Azo-dyes certificate issued by a textile testing laboratory accredited by national Accreditation Agency of the country of origin. Since manufacture of azo-dyes stands banned in India, product not accompanying with such a certificate is subject to be tested in India. Common Effluent Treatment Plants are being set up in all the Textile Park under SITP Scheme.

Planning Commission (Industry Division) vide Office Memorandum No. I & M – 3 (17)/2011 dt. 28th April, 2011 has constituted a Working Group on Textiles and Jute Industry (excluding Handloom and Handicraft Segments) for formulation of the 12th Five Year Plan (2012-17). The Working Group has formed sub groups for formulation of the report. One of the Sub Group formed vide Office Memorandum No. 13/6/2011 –TUFS dt. 28.4.2011 is Sub Group on Textiles and Apparel. The recommendations of the Sub Group given in its draft report are reproduced in **Annex – I**.

(Recommendation para No. 3.60)

The Committee note that at present no separate budgetary allocation is made for research and development in Handloom sector. The Committee observe that in the absence of advanced technology and R&D, domestic textile industry faces tough competition from the competitive countries. The Committee, therefore, desire that the Government should come out with an R&D policy for the entire textile sector to counter the challenges posed by technological developments in competing countries and recommend that adequate financial assistance be provided to the research bodies/Associations undertaking research in textile sector and also to monitor the expenditure and progress of work of R&D institutions.

(Reply of the Government)

Research & Development (R&D) R&D activities which, inter alia, cover studies, need based survey, taking into account the strength and weakness of the Handloom Sector and take steps to ensure that the Sector benefits from the more open trading. During the 12th Plan, Rs.7.00 crore (@ 1.40 crore per year for 5 years) has been proposed for Research and Development.

The Ministry of Textiles has a comprehensive R&D Scheme for the entire Textile Sector. The scheme provides for support to the Textile Research Associations (TRAs) and textiles related R&D Projects taken up by Govt. Approved Research Centres such IITs/Govt. Aided Institutions/Recognised Engineering colleges / Institutions approved by DST / DSIR etc. Apart from this Comprehensive Scheme, incentives are available for R&D in Technical Textiles under the TMTT (Technology Mission on Technical Textiles).

There are 8 Textile Research Association catering to various needs of the textile industry viz south India Textile Research Association (SITRA), Bombay

Textile Research Association (BTRA), Northern India Textile Research Association (NITRA), Synthetic and Art Silk Mills Research Association (SASMIRA), Manmade Textile Research Association (MANTRA), Indian Jute Industries Research Association (IJIRA), Ahmedabad Textiles Industries Research Association (ATIRA) and Wool Research Textile industries (WRA). In the 11th Five Year Plan, Rs. 34 crores was available under the R&D efforts in the sector during the 12th Five year Plan.

(Recommendation para No. 3.63)

The Committee note that lack of proper infrastructure is one of the major problems of Indian Textile Industry particularly of the small units. Lack of proper roads, transport network and the remote location of these units from the markets hinder the growth of such units. Moreover, high power tariffs are also a major deterrent. The Committee recommend that Ministry of Textiles take up the issues of infrastructural facilities with the respective State Governments and convince them to provide continuous concessional power supply and economic transport to these units.

(Reply of the Government)

The Ministry of Textiles has introduced several initiatives to incentivize development of infrastructure, particularly for small and medium units. The Scheme for integrated Textiles parks (SITP) and the Mega Cluster Schemes in the Powerloom, Handloom and Handicraft Sectors have been designed to address infrastructure gaps by providing for common infrastructure including internal roads, CFCs (Common Facility Service Centres), dyeing houses, marketing support etc. Various issues regarding statutory clearances for infrastructural

development related issues are taken up with the State Government from time to time on the request of the SPVs under the SITP Scheme.

The recommendations / observations contained in para-3.63 of the 20th Report of the Standing Committee on Labour on Demand for Grants 2011-12 have been communicated to all the respective State Govts., with a request to convince their Governments for providing better roads and economic transportation to the beneficiaries, as well as to providing continuous power supply for the infrastructures at subsidized rates, which have been created under the Centrally sponsored Catalytic Development Programme during the XI Plan.

CHAPTER-III

**RECOMMENDATIONS/OBSERVATIONS WHICH THE
COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE
GOVERNMENT'S REPLY.**

NIL

CHAPTER-IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION.

NIL

CHAPTER-V**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT ARE INTERIM IN NATURE.****(Recommendation para No. 3.26)**

The Committee are concerned to note that textiles sector in North Eastern Region has not been able to derive benefit of any of the development schemes of the Ministry of Textiles as it is unorganized and dispersed. The Committee find that there is lack of infrastructure in the region, obsolete technology, weak skill base, absence of product diversification & market development and poor institutional frame-work. The Committee further observe that out of 43 lakh handloom weavers in the country about 21.75 lakh weavers i.e. about 50% are engaged in handloom sector in North Eastern Region as per Handloom Census 2009-10. The Committee desire the Government to encourage formation of self help groups in North Eastern Region to help weavers to come together and derive benefits from various Centrally Sponsored Schemes. While observing that only 594, 185 and 164 weavers got training in three Weavers Service Centre at Guwahati, Agartala and Imphal during the last five years, the Committee feel that small training centers in rural/remote areas be set up in Private Public Partnership mode for unemployed villagers who are hesitant to move to the cities to provide the prospects of training and employment in their villages only. Further, centres so set up should encourage weavers to convert weaving into commercial venture through robust marketing strategy and wider publicity. Also, proper training is also required for women members of the weavers' family for upgrading their skills in preparatory processes. These training institutes may provide training using well

developed looms, designs and dyeing procedures. The Committee also recommend that the manpower in handloom and handicrafts sub-sectors be strengthened at the earliest to make the schemes successful in North Eastern Region.

(Reply of the Government)

As per the latest Census (2009-10) in North East, 90% of the handloom worker households are weaver households. In contrast to the national trend, the North Eastern States recorded an increase in the number of weavers' households from 14.6 lakh weavers' households (in 1995) to 15.1 lakh weavers' households (Census 2009-10). A large majority of looms in the North Eastern States are engaged in domestic production (62%) and a relatively less proportion is into mixed production (34%). This is primarily because handloom weaving is part of the culture across all social groups but rural households have a good part of domestic fabric requirements produced within the house. However, 52% households produce less than one meter of fabric per weaver per day. As far as Handloom Sector is concerned, the number of Clusters & Group Approach Projects sanctioned and funds released under IHDS in North Eastern Region are given next:

(Rs.in lakh)

	Period (2007-08 to 2010-11)			Period (2008-09 to 2010-11)		
	No. of Clusters sanctioned	Amount Released	Total Beneficiaries	No. of Groups Sanctioned	Amount Released	Total Beneficiaries Covered

	d		Covered	d		
Total	144	3854.73	67934	293	2275.05	10565
:						

Emphasis is given on formation of Self Help Groups under the Integrated Handlooms Development Scheme. Programmes/ Schemes for 12th Five Year Plan are also being formulated keeping in view of the special emphasis to form Self Help Groups (SHGs). The State Governments have been addressed at various platforms that more and more SHG's of weavers be formed to enable them to avail the benefits of various schemes of both the State and Centre Governments.

The Integrated Handlooms Development Scheme being implemented during the XI Plan has a Skill Development component, under which the weavers are being provided training in weaving, design development and dyeing/managerial skill. The training in these areas not only improves quality of the handloom products but also enhances the earnings of weavers. For the 12th Plan period, it has been recommended that the domestic handloom should be encouraged to convert to commercial weaving as envisaged under the proposed Minimum Economic Size (MES) Scheme. For this, the necessary modification of looms and accessories like doobby and jacquard will be provided. However, suitable financial assistance is available not only under the existing IHDS Scheme but also as proposed under the new MES Scheme for all types of loom accessories. These Schemes also provide for financial assistance for skill upgradation of weavers in weaving, dyeing and managerial aspects. The benefits of IHDS Scheme are on a cost-sharing basis of 90:10 ratio i.e. (GOI share: Beneficiary) for NER weavers.

Promotion of weaving and imparting training to weavers is done through Weavers Service Centers (WSC) and 5 Indian Institute of Handloom Technology (IIHT) which are functioning in different parts of the country. In addition, WSCs are also conducting design cum dyeing workshop to disseminate the technological development in the field of weaving, designing, dyeing etc. and to make aware the weavers about the handloom schemes.

To provide Marketing support to handloom weavers and their agencies, Government is implementing Marketing & Export Promotion Scheme, which provides marketing opportunities and infrastructure support through design development, and marketing linkages to assist sale of the Handloom products both in domestic and international market. To assist Apex/Primary handloom cooperative societies & Corporations in developing the export-worthy products, financial assistance is provided for engaging professionally qualified designers for design development, engaging professional marketing Consultant etc. Publicity and brand development through Handloom Mark and other measures are also being undertaken regularly. Marketing Incentive @ 10% of the average sales turnover of the last three years is also provided to offset the cost of handloom products and compete in the domestic and international market.

Skill up gradation and training is provided under Integrated Handlooms Development Scheme which provides need based inputs to develop “Clusters” of 300-500 Handloom or “Groups” of 10-100 weavers for making them self-sustainable. This is done by providing them financial assistance for margin money, working capital, new looms and accessories, skill-upgradation training in weaving, dyeing and processing, designing, marketing opportunities and for providing assistance for construction of work shed, common facility centers etc.

As regards the Committee's recommendation that the manpower in handloom and handicrafts sub-sectors be strengthened at the earliest, it is stated that under the Integrated Handloom Development Scheme, assistance is provided for restructuring/strengthening of handloom organization in the form of seed money.

(Recommendation para No. 3.27)

The Committee note that although about 21.75 lakh people are engaged in handloom sector in North Eastern Region, only 88,125 handloom weavers are covered under one mega Handloom Cluster at Sivsagar, (Assam) and another 78,499 have been benefited from 144 Handloom Clusters and 293 Group Approach Projects leaving behind a major chunk of weavers in unorganized sector. The Committee feel that till clusterisation picks up in North Eastern Region, individual weavers should not suffer and the credit facility be made available to individual weavers for the working capital required on easy terms. Besides, the Ministry of Textiles should take up necessary steps to organize visits of the officers and experts at frequent intervals to the areas where these weavers/artisans work or reside and educate them about the benefits of forming clusters/cooperatives/SHGs. These officers may also liaise with the local Panchayats to spread awareness about the schemes. Benefits of other schemes hitherto meant for clusters may also be extended to these individual weavers. The Committee desire that required infrastructure be made available in each district where weavers/artisans can display and sell their products. The officer posted in these outlets guide the individual weavers/artisans about the forthcoming exhibitions, seminars and workshops so that they showcase their products and get to know about market trends, training facilities, etc. The Committee also feel that since all the weavers/artisans are not educated, publicity may be given about all the schemes and facilities through the

print and electronic media. Further, the Government should also ensure that Village Panchayats, Local Members of Parliament, Members of Legislative Assembly and Municipal bodies are involved in publicity campaigns which must be held in remote/rural areas in their local language.

(Reply of the Government)

For provision of credit, the Finance Minister, in his budget speech, 2011 has announced Financial Package of Rs. 3000 crore for the Handloom sector which inter-alia, includes providing loans to handloom sector at lower rate of interest, waiver of overdue interest and overdue loans of Weavers/Private Weavers Cooperative Societies/Apex Societies. This package will benefit 15,000 handloom weavers cooperative societies and 3 lakh handloom weavers, who had taken loan earlier but have not been able to repay the loan. Implementation of this package is to begin in December this year.

All the State Governments have formed State Level Project Committees consisting of representatives from the Apex/Primary/Cooperative Societies, who are the ground level functionaries, for formulating the projects, keeping in view of the prime requirement at grass root level of the weavers. This Committee is responsible to identify weavers, cluster and formulate project/proposal to the Central Government through their respective State Government to extend financial assistance in their favour.

Regarding provision of infrastructure, Govt. of India provides financial assistance for setting up of permanent marketing infrastructure (Urban Haat) at prime locations in the country to provide marketing outlets to the handloom weavers / craft persons on the pattern of Dilli Haat. The participating weavers / artisans sell their products directly to the customers. This provides direct

marketing facilities to the weavers and eliminates middlemen/agencies. Further, the Integrated Handlooms Development Scheme provides need based inputs to develop “Clusters” of 300-500 Handloom or “Groups” of 10-100 weavers for making them self-sustainable by providing them financial assistance for margin money, working capital, new looms and accessories, skill-upgradation training in weaving, dyeing and processing, designing, marketing opportunities and for providing assistance for construction of work shed, common facility centers etc. . The weavers are sent to the other parts of the country for exposure visits also. Govt. of India also provides financial assistance towards infrastructure and publicity for organization of marketing events like National Handloom Expos, Special Handloom Expos, District Level Events, Craft Melas where the participating handloom organizations/ weavers sell their products directly to the customers.

As far as publicity of the schemes is concerned, information regarding the schemes being implemented by office of Development Commissioner (Handlooms) are available on the website www.handloms.nic.in in various regional languages. Workshops and Seminars are also conducted to create awareness about schemes and programmes.

The Government of India also provides financial assistance for organizing various marketing events in North Eastern region including Fashion shows every year to popularize the handloom products to NER.

Also, three handloom products of Manipur State have been provided financial assistance to register under the Geographical Indication Act.

(Recommendation para No. 3.33)

The Committee note that as per the latest census 2009-10, 43 lakh handloom weavers and allied workers employed in the sector have been identified against 65 lakh handloom weavers and allied workers as per 1995-96 handloom census. The Committee also observe that the market for quality handloom textiles and fine handloom products which were woven earlier has also diminished as the consumers prefer the cheaper powerloom or mill textiles as they are easy to maintain. The Committee feel that in the absence of desired support to sustain the handloom sector, the fine handloom textiles, that require a lot of skill to make, are becoming extinct. The Committee, therefore, strongly urge the Government to play a pivotal role in reviving and sustaining handlooms by subsidizing handloom products as genuine handloom products are highly priced and only have a niche market. The Committee observe that lack of vigorous marketing has also led to the downfall of handloom products. Since, it is not possible for the ordinary weavers to study the market trend and to make production befitting the shifting nature of the demand, the Committee recommend that a handloom research centre be set up at the national level to undertake research in demand patterns, professional designs, weaving technology, raw materials, product diversification and training facilities for implementing new technologies etc. The Committee strongly feel that Panchayati Raj Institutions can play an active and fruitful role in reviving and sustaining handloom units. The Government may organize orientation programmes about the Schemes for handloom units for the Panchayats who may in turn educate and guide the entrepreneurs and weavers in their area about the facilities provided by the Government to run their units. The Committee further feel that these Panchayati Raj Institutions can help in cluster development in rural

areas by conceptualizing viable projects using local resources of raw materials and skills and could stand surety to the clusters for obtaining finances. The Committee, therefore, recommend that market orientation must be developed and quick response to the changing requirements of the market be made. The Committee also recommend that suitable incentives be given to the weavers to produce popular handloom products in large quantities. A handloom brand may be evolved to target the middle class and wider publicity be given to such products/brand as part of marketing strategy. Further, the Committee also feel that reviving old and extinct designs with professional help may be undertaken under Integrated Handloom Development Scheme and a National Museum of Costumes, old and modern of different regions of the country be set up.

(Reply of the Government)

The Government of India had introduced Integrated Handlooms Development Scheme (IHDS) in the year 2007-08 for implementation in the XI Plan period. The scheme aims to focus on formation of weavers group as a visible entity, develop the Handlooms Weavers Groups to become self-sustainable, inclusive approach to cover weavers both within and outside the Cooperative fold, skill up-gradation of handlooms weavers/workers to produce diversified products with improved quality to meet the market requirements, provide suitable workplace to weavers to enable them to produce quality products with improved productivity etc. The Cluster Development projects are under implementation and their success can be seen on completion of the projects.

Skill up-gradation is one of the components of IHDS to equip the weavers with the latest technique of weaving and create awareness on the knowhow of designing and dyeing.

Under the component of Design development and product diversification of IHDS, professional qualified Designers from NIFT/NID or any other Institute of repute have been engaged in the clusters for product development/diversification with design inputs, training of local designers, documentation of designs/products and also for market linkages.

The National Handicrafts and Handlooms Museum (NHHM) popularly known as Crafts Museum is located at Pragati Maidan, New Delhi, under the administrative control of Development Commissioner for Handlooms, Ministry of Textiles, plays a vital role in Collection, conservation and preservation of crafts specimen, revival, reproduction and development of Art and Craft.

In order to provide a marketing platform for the weavers/handloom organizations, the Government of India provide grants in aid to the State Governments/ State Handloom Organisations to organise marketing events at various levels, i.e. District Level Events, Special Handloom Expos, National Handloom Expos(all India level), Craft melas etc. The weavers from all States of the country are given opportunity to participate and sell their products in Dilli Haat and various craft melas. The number of marketing events have been increased every year to provide more opportunities to handloom weavers and their cooperative societies to sell their products directly to the consumers. These events also provide the opportunity to understand weaver, the market demand in terms of designs, color trends etc.

The number of marketing events organised during the last four years and sales is tabulated below:

Year	No. of marketing events organized	Sales generated (Rs. In crore)
2007-08	313	Rs.146 crore
2008-09	399	Rs.220 crore
2009-10	561	Rs.340 crore
2010-11	680	Rs.410 crore

During the current year 2011-12, 665 marketing events have been approved till 14th October, 2011.

In order to popularize and establish handloom products as a brand, the Handloom Mark Scheme was launched by Dr. Manmohan Singh Hon'ble Prime Minister of India on 28.06.2006. The Handloom Mark Scheme provides a collective identity to the Handloom Products and is used not only for popularizing the hand woven products but also serve as a guarantee for the buyer that the product being purchased is genuinely hand woven.

The Scheme is operational throughout the country. Individual weavers, Weavers Co-operative societies, Master weavers, Retailers, Exporters, Self Help Groups, Joint Liability Groups, Consortiums, Handloom Weavers Groups, Producer Companies identified under Integrated Handloom Development Scheme. etc., are entitled to participate in the scheme. As on August 2011, 8338 stakeholders have been registered under the scheme and 203.68 lakh handloom marks labels have been sold(cumulative) and 804 retail outlets are selling handloom mark labelled goods.

(Recommendation para No. 3.42)

The Committee note that Geographical Indications of Goods (Registration & Protection) Act, 1999 provides legal protection to goods and prevents unauthorized use thereof. The Committee, however, feel that the Geographical Indications of Goods Act, 1999 cannot alone save the textile industry from flooding of market with fake imported products as the producers of genuine products are uneducated and belong to socially and economically deprived groups. The Committee feel that besides the GI Certificate issued for various handloom items, necessary steps must be taken for brand building and suitable promotional schemes launched for their registered handloom products to ensure that products sustain in the market. Besides, vigorous awareness campaigns be launched to educate the people about the difference between the genuine and fake products. The Committee also recommend that registration under GI Certificate be seen as a component of a full-fledged strategy aimed at overall development of handloom & handicrafts in India and more and more registration certificates be issued to prevent unauthorized use by others. The Committee would also like to be apprised of the legal action taken, if any, during the last five years by the Office of Development Commissioner Handloom against their unauthorized use under the Act.

(Reply of the Government)

The Government of India provide grants to State Governments/State Handloom Organisations @ Rs.1.50 lakh per handloom product to register under the Geographical Indications of Goods (Registration & Protection) Act, 1999. Financial assistance to register 39 items under G.I. has been provided so far in the 11th Plan. The State Governments have been requested to organise awareness campaigns to educate the weavers about the Act. For effective implementation/

enforcement of G.I. registration, it has been proposed to provide financial assistance of Rs.5 lakh per product for post registration awareness programme, publicity & other related activities. A corpus of Rs.5 crore is also proposed to be created for providing legal assistance for effective implementation and to prevent misuse of GI by others.

New Delhi;
21st March, 2011
1 Chaitra, 1934 (Saka)

HEMANAND BISWAL
CHAIRMAN,
STANDING COMMITTEE ON LABOUR.

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON
LABOUR HELD ON 24TH FEBRUARY, 2012**

The Committee met from 1500 hrs. to 1530 hrs in Committee Room `C', Parliament House Annexe, New Delhi to consider and adopt the following draft action taken reports:

- (i) Action Taken by the Government on the recommendations contained in the 18th Report of the Committee on the subject 'Directorate General of Employment & Training – A Review';
- (ii) Action Taken by the Government on the recommendations contained in the 19th Report of the Committee on 'Demands for Grants of the Ministry of Labour and Employment for the year 2011-12';
- (iii) Action Taken by the Government on the recommendations contained in the 20th Report of the Committee on 'Demands for Grants of the Ministry of Textiles' for the year 2011-12'.

PRESENT

Shri Hemanand Biswal - Chairman

**MEMBERS
LOK SABHA**

2. Dr. Virendra Kumar
3. Shri Narahari Mahato
4. Shri Hari Manjhi
5. Shri P. Balram Naik
6. Shri Sanjay Dina Patil
7. Shri S. Pakkirappa
8. Shri Mahendra Kumar Roy
9. Ms. J. Shantha

RAJYA SABHA

10. Shri Mohd. Ali Khan
11. Shri Rudra Narayan Pany
12. Smt. Renubala Pradhan
13. Shri Ranbir Singh Parjapati
14. Shri Rajaram
15. Shri G.N. Ratanpuri

SECRETARIAT

- | | | | |
|----|-----------------------|---|---------------------|
| 1. | Shri Devender Singh | - | Joint Secretary |
| 2. | Shri Ashok Sajwan | - | Additional Director |
| 3. | Smt. Bharti S. Tuteja | - | Under Secretary |

2. At the outset, the Chairman welcomed the Members and apprised them about the draft action taken reports to be considered and adopted by the Standing Committee on Labour.

3. The Committee took up the draft Reports for consideration. The Committee adopted the draft Reports without any modification.

4. The Committee then authorized the Chairman to present the reports to both the Houses of Parliament.

The Committee then adjourned.

(Vide Para No. 3 of the Introduction)

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON
RECOMMENDATIONS CONTAINED IN THE TENTH REPORT OF THE
STANDING COMMITTEE ON LABOUR (FIFTEENTH LOK SABHA)**

	Total	Percentage
I. Total number of Recommendations	18	
II. Recommendations/Observations which have been accepted by the Government.	14	77%
<p>Paragraph Sl. Nos. 3.13, 3.18, 3.25, 3.29, 3.31, 3.32, 3.34, 3.37, 3.49, 3.50, 3.52, 3.56, 3.60 and 3.63.</p>		
III. Recommendations/Observations which the Committee do not desire to pursue in view of the Government's reply.		
<p>Paragraph Sl. Nos. NIL</p>		
IV. Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee and which require reiteration.		
<p>Paragraph Sl. Nos. NIL</p>		
V. Recommendations/Observations in respect of which replies of the Government are interim in nature.	4	23%
<p>Paragraph Sl. Nos. 3.26, 3.27, 3.33, and 3.42.</p>		

		100%
