

29

STANDING COMMITTEE ON LABOUR

(2011-12)

(FIFTEENTH LOK SABHA)

MINISTRY OF TEXTILES

DEMANDS FOR GRANTS

(2012-13)

TWENTY-NINTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

April, 2012/Vaisakha, 1934 (Saka)

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Presented to Lok Sabha on 3rd May, 2012

Laid in Rajya Sabha on 3rd May, 2012



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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. Smt. 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. Shri T.K.S. Elangovan
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.

*** Retired *w.e.f.* 02.04.2012 and 03.04.2012 respectively.

**** Nominated *w.e.f.* 12th April, 2012.

SECRETARIAT

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

INTRODUCTION

I, the Chairman, Standing Committee on Labour (2011-12) having been authorized by the Committee do present on their behalf this 29th Report to Parliament of the Ministry of Textiles on Demands for Grants for the year 2012-2013.

2. The Committee considered the Demands for Grants pertaining to the Ministry of Textiles for the year 2012-2013 which were laid on the Table of the House on 26th March, 2012. Thereafter, the Committee took evidence of the representatives of the Ministry of Textiles on 13th April, 2012. The Committee considered and adopted the Report at their sitting held 30th April, 2012.

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

4. The Committee would also like to place on record their deep sense of appreciation of the commitment, dedication and valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in Appendix of the Report.

**New Delhi,
30th April, 2012,
10 Vaisakha, 1934 (Saka)**

**HEMANAND BISWAL,
CHAIRMAN,
STANDING COMMITTEE ON LABOUR**

CHAPTER-I**REVIEW OF STATUS OF IMPLEMENTATION OF RECOMMENDATIONS CONTAINED IN THE TWENTIETH REPORT OF THE STANDING COMMITTEE ON LABOUR ON DEMANDS FOR GRANTS (2011-12) OF MINISTRY OF TEXTILES.**

1.1 The Standing Committee on Labour presented their Twentieth Report on Demands for Grants (2011-12) pertaining to the Ministry of Textiles to Parliament on 30.8.2011. Out of 18 recommendations, 14 recommendations at **Para Nos. 3.18, 3.19, 3.20, 3.21, 3.22, 3.23, 4.19, 4.20, 4.21, 4.23, 4.24, 4.25, 4.26, 4.27, 4.28, 4.29, 4.30, 4.31, 4.32** were accepted by the Government. There were no recommendations which the Committee did not desire to pursue. There were no recommendations where the reply of the Government were not accepted. Four recommendations at **Paragraph Sl. Nos. 3.26, 3.27, 3.33, and 3.42** were found *interim* in nature and the Government were requested to furnish the final action taken replies thereon.

1.2 The Standing Committee on Labour presented their Twenty-sixth Action Taken Report (Action taken by the Government on recommendations contained in Twentieth Report, Fifteenth Lok Sabha) on 27th March, 2012.

CHAPTER-II

INTRODUCTORY

2.1 The Ministry of Textiles came into independent existence in 1989 after its separation from the Ministry of Commerce. Textile Industry occupies a unique position in our economy and psyche. The fate of rural economy and the fortune of major fibre crops and crafts-cotton, wool, silk, handicrafts and handlooms, which employ millions of farmers and craft persons in rural and semi-urban areas, depend on textile industry. Textile sector provides employment next only to agriculture.

2.2 The main functions and activities of the Ministry of Textiles are policy formulation and planning, development, export promotion and trade regulation of the textile sector. The Ministry formulates policies regarding production, distribution (for domestic consumption and exports) and development of all textiles including cotton, woollen, jute, silk, synthetics, etc. produced on handlooms, powerlooms and in mills. It is also responsible for readymade

garments, handicrafts and industries related to production of silk and cellulosic fibres.

2.3. The developmental activities of the Ministry are oriented towards making adequate quantities of raw material available to all sectors of textile Industry and augment the production of fibres at reasonable prices from the organized and de-centralised sectors of the industry. To achieve this objective, the Ministry lays down guidelines for a planned and harmonious growth of various sectors of the industry.

2.4. The Ministry monitors the techno economic status of the industry and provides the requisite policy framework for modernization and rehabilitation. It also coordinates the activities of Textile Research Associations and lends financial support to them for undertaking research and development. The Ministry exercises administrative control over various organizations and public sector undertakings under its charge.

2.5. The principal functional areas of the Ministry cover the following:-

- The Textiles Policy & Coordination.
- The man-made Fibre/Filament Yarn Industry.
- The Cotton Textiles Industry.
- The Jute Industry.
- The Sericulture and Silk Textiles Industry.
- The Wool & Woollen Textiles Industry.
- The Decentralised Powerlooms Sector.
- The Exports Promotion
- Handicrafts
- Handlooms
- The Planning & Economic Analysis.
- The Integrated Finance Matters.
- The Information Technology

2.6. The Demands for Grants of the Ministry of Textiles for the year 2012-2013 are given under Demand No. 92. The detailed Demands for Grants of the Ministry were laid on the Table of Lok Sabha on

26.3.2012. The following are the major heads under which the Demands for Grants of the Ministry have been given:-

- 3451 - Secretarial Economic Services
- 2552 - North-Eastern Areas
- 2851 - Village and Small Industries
- 2852 - Industries
- 3453 - Foreign Trade and Export Promotion
- 3601 - Grants-in-aid to State Governments
- 3602 - Grants-in-aid to Union Territory Governments
- 4552 - Capital Outlay on North-Eastern Areas
- 4851 - Capital outlay on Village and Small Industries
- 4860 - Capital Outlay on Consumer Industries
- 6860 - Loans to Public Sector and other Undertakings

2.7. In order to efficiently carry out the task of implementing various schemes, the Ministry has the following two attached offices, two subordinate offices, six advisory boards, three registered societies and six statutory bodies under it:-

Attached offices:-

- (a) Office of the Development Commissioner for Handlooms
- (b) Office of the Development Commissioner for Handicrafts

Subordinate offices:-

- (a) Office of the Textiles Commissioner
- (b) Office of the Jute Commissioner

Advisory Boards:-

- (a) All India Handicrafts Board
- (b) All India Powerlooms Board
- (c) All India Handloom Board
- (d) Cotton Advisory Board
- (e) Jute Advisory Board
- (f) Coordination Council of Textiles Research Associations
(TRAs)

Registered Societies:-

- (a) Central Wool Development Board (CWDB)
- (b) National Centre for Jute Diversification (NCJD)

- (c) Sardar Vallabhbhai Patel Institute of Textiles
Management (SVPITM)

Statutory Bodies:-

- (a) Jute Manufactures Development Council (JMDC)
- (b) Central Silk Board (CSB)
- (c) Textiles Committee
- (d) Commissioner of Payments
- (e) National Institute of Fashion Technology (NIFT)
- (f) National Jute Board

2.8. The Committee have attempted to scrutinize the Demands for Grants for the year 2012-2013 of the Ministry to the extent possible and the findings have been illustrated in the ensuing Chapters.

CHAPTER-III
REPORT
DEMANDS FOR GRANTS

A. General Performance

3.1As per the information furnished to the Committee, Rs.5000 crore were earmarked for Plan expenditure during 2011-12 which was increased at the Revised Estimate stage to Rs.5503 crore. The total utilization as on 13.2.2012 is Rs.3169.11 crore *i.e.* only 63% of BE and 58% of RE. Similarly, Non-Plan expenditure was estimated at Rs 873.75 crore which was revised to Rs. 942.27 crore and the actual expenditure was only Rs 499.80 crore till 13.2.2012 which is only 53% of the RE. When asked about the reasons for underutilization of funds, the Ministry replied that:

"The total amount allocated to Ministry of Textiles (MoT) under Plan during the year 2011-12 is Rs. 5000.00 crore, out of which an amount of Rs. 3302.97 crore, i.e 66.06 percent over BE has been utilized as on 22.3.2012. Accounts for the remaining period are being finalized which is expected to show further progress in expenditure.

The entire allocation for TUFs could not be utilized due to the slowdown in the textiles industry. Against envisaged investments of Rs. 46900 crores under restructured TUFs in 2011-12, investments of Rs 8700 crore were witnessed reflecting Macro-economic investment climate in the textiles sector. As a result, the TUFs scheme allocations could not be utilized resulting in Rs 700 crore of un-utilized expenditures. The slowdown in investments also resulted in poor utilization of SITP allocations where Rs. 80 crores could not be utilized.

Under SITP, the govt. subsidizes already existing industry stakeholders in the creation of common infrastructure through a Special Purpose Vehicle (SPV). The expenditure under this scheme is a consequence of claims raised by the SPV of the project. While the allocations at BE and RE represented the project admitted liability of the Ministry for FY 2011-12, the actual expenditure could take place only when claims were raised by individual SPVs. Despite monitoring both at Ministry and PMC levels, not all SPVs that were expected to prefer claims could do so, due to a variety of reasons. The recent recession in the textile industry and delays in obtaining statutory clearances such as environmental clearance were some of the reasons for default by SPV on submitting the claims.

Under Handloom, BE for 2011-12 was Rs.460 crore which was reduced to Rs. 419 crore at RE stage. The total allocation after 3rd supplementary was Rs. 690.8 crore out of which Rs.629.90 crore (Provisional) was utilized during 2011-12. At the 3rd supplementary stage, Rs.264.45 crore including Rs.200 crore for financial package were allocated to Handloom, otherwise expenditure was evenly incurred. Since

the Policy Year (December, 2010 to November, 2011) under Health Insurance component of Handloom Weavers' Comprehensive Welfare Scheme does not coincide with the financial year, the expenditure is higher in the last quarter.

The fund allocated for Technical Textiles in the BE, 2011-12 was Rs. 50.00 crore, which was revised to Rs. 38.00 crore in the RE, 2011-12. Rs. 25.10 crore was allocated under the Capital Expenditure and Rs. 12.90 crore was allocated in the Revenue Expenditure. As Technology Mission on Technical Textiles (TMTT) is a capital intensive scheme, the bulk money under Revenue Head could not be spent."

3.2 The Committee had, in the past, repeatedly exhorted the Ministry to devise a mechanism so that funds could be utilized evenly in all four quarters so far as practicable. The Ministry in their reply had stated as under:

"The Ministry has put in place a mechanism for regular review and monitoring of Plan Schemes, for fully utilizing the plan allocation evenly in all the four quarters. "

3.3 On being asked that in spite of regular review and monitoring of schemes, why 47% of funds remained unutilized, the Ministry stated as under:

"BE for Annual Plan- 2011-12 was Rs. 5000.00 crore, which was revised to Rs 5503 crore at the Revised Estimate stage. An amount of Rs.1165.00 crore was earmarked for VSE segment and Rs.3835.00 for Industry (BE figures). The total utilization is Rs 3302.97

crore i.e. 66.06 and 62.28 percent over BE & RE respectively as on 22.03.2012. The Ministry had indeed put in place a mechanism for regular review and monitoring of Plan Schemes for fully utilizing the plan allocation for 2011-12.

Following steps are being taken to evenly spread the expenditure of funds during every quarter of the year:

- Along with the progress of physical and financial targets in respect of the schemes, the expenditure is regularly monitored in the Senior Officers' Meeting (SOM) chaired by Secretary (Textiles) and in-house review meetings for the various schemes.
- These meetings are in addition to various fora at which review of the Plan schemes is undertaken. For example, periodical review reports are furnished to the Planning Commission. Further, Planning Commission takes the Performance Review Meetings, on half-yearly and yearly basis, of the various schemes being implemented by the Ministry. In such meetings, representatives from State Governments and implementing agencies are also called for discussions.
- Efforts are also being made for expediting submission of project proposals of schemes wherever required so as to ensure timely and even spending of funds.
- Implementation of projects sanctioned under different schemes is being closely monitored. Field officers are being instructed to increase the pace of inspections for effective implementation of schemes and based on their reports, grants are released or curtailed.

The Ministry in the 11th Five Year Plan had an allocation of Rs. 14000 crore against which on expenditure of Rs. 18000 crore has been incurred, reflecting successful scheme implementation. For 2011-12 additional allocation of Rs. 500 crores was available after the 3rd supplementary. Expenditure progress has been on lines of 2010-11. However the investment slowdown meant that a number of schemes operated as backended subsidies/under PPP mode did not see full realization in 2011-12. An amount of Rs. 1000 crores (approx) could not be utilized.

For the Jute sector, Mini Mission-III and Mini Mission-IV are being implemented by Ministry of Textiles. An amount of Rs. 54 crore was allotted at BE stage during 2011-12 under the JTM Scheme. Since the target period for completion of JTM expired on March 31, 2011, a Cabinet Note was prepared & sent to Cabinet Committee on Economic Affairs (CCEA) for further extension of two years of JTM Scheme, but PMO desired that this may first be put up to CoS for their consideration. The COS approval has since been received. Revised Cabinet Note is being sent to CCEA on the line of the COS approval. In view of the above, no expenditure could be incurred against the BE of Rs. 54 during 2011-12 under the JTM Scheme.

The reason for slow pace of expenditure in Handicrafts is due to the long process of inviting application through advertisements in leading newspapers across the country, thereafter, the proposals are assessed by the Field Offices/Regional Offices and grading of each assignment is done and finally the proposal duly recommended by the Regional Offices are approved by the Development Commissioner(Handicrafts)/ IFW. Further, after sanctioning the proposal the required documentation for presenting pre-receipted bill in the CPAO for payment takes at least three weeks as the documents are directly

received from the organizations which are scattered across the country. The entire process is a lengthy one which requires three to four months to get completed. However, the same is essential in order to ensure transparency & bonafide utilization of funds. Due to above reasons the pace remains slow for first two quarters."

3.4 Quarter-wise Plan expenditure by the Ministry is given below:-

Details of BE, RE and actual expenditure quarter wise during 2011 – 12 is given below.

(Rs. in crore)

Item	BE	RE	Expenditure during the quarter	Cumulative Expenditure
2011 - 12	5000.00	5303.30		
1 st quarter			1597.08	1597.08 (as on 1.7.2011)
2 nd quarter			250.42	1847.50 (as on 30.9.2011)
3 rd quarter			1048.97	2896.47 (as on 30.12.2011)
4 th quarter			406.50	3302.97 (as on 22.3.2012)

Source: B&A Section report.

3.5 The Ministry updated their reply after the evidence and sent the following information:

Item	BE	RE	Expenditure during the quarter	Cumulative Expenditure	Allocation for TUFs	Expenditure under TUFs
2011 - 12	5000.00	5303.30				
1 st quarter			1597.08	1597.08 (as on 1.7.2011)	3100.00 (62%)	1343.62
2 nd quarter			250.42	1847.50 (as on 30.9.2011)		8.79

3 rd quarter			1048.97	2896.47 (as on 30.12.2011)		943.54
4 th quarter			1363.07	4259.54 (as on 31.3.2012)		639.45

3.6 The Ministry further stated that:

"out of the total allotment of Rs.5000 crore, the Technology Upgradation Fund Scheme (TUFS) has the largest allocation of Rs.3100 crore. With 62% of BE of the Ministry allocated to TUFS, even utilization of Plan allocation for the Ministry is to a large extent dependent on the utilization under TUFS. Out of the BE of Rs.3100 crore for TUFS, the quarter wise expenditure is Rs.1343.62, Rs.8.79, Rs.943.45 and Rs.639.45 respectively. The same trend is reflected in the quarter wise expenditure of the Ministry.

The expenditure figures reported earlier were as on 13.02.2012 i.e. about one and a half month before close of financial year 2011-12. The total expenditure as on 31.3.2012 is Rs.4259.54 crore i.e. 85.19% of BE. Thus, there is no under utilization of fund."

3.7 The Committee note that the Ministry could utilise Rs. 4260 crore only out of the BE of Rs.5000 crore which was revised to Rs 5503 crore at RE stage. As regards the compliance with the governmental instructions that the pace of expenditure must be even through out the year so far as possible, the Ministry had assured the Committee that they

would ensure even pace of expenditure in future. The Committee are dismayed to note that the expenditure during 2011-12 upto the last quarter till 22.3.2012, was Rs 407 crore but it increased to Rs 1363 crore by 31.3.2012 in a span of just one week. Further, on perusal of the figures of last 5 years, the Committee find that the BE for the last 5 years was Rs 18968 crore, the RE 21143 crore and the actual expenditure was Rs 18271 crore. Apparently, the claim of Ministry about their financial performance does not stand to scrutiny in view of their inability to achieve the desired targets. The idling of funds to the tune of Rs 2200 crore till the last week of the financial year is yet another matter of serious concern which needs to be addressed by the Ministry, Worse, rushing expenditure at the end of the financial year besides violation of governmental instructions, may dilute scrutiny and monitoring leading to wasteful expenditure. Since budgeting involves fixation of priorities, foresight and forecasting based on sound analysis of past trends and the monitoring capabilities of the Department, the Committee recommend that the Ministry evolve sound budgeting principles and monitoring mechanism

so that their resources are optimally allocated, there is no idling of funds and there is no rush of expenditure at the fag end of the financial year.

3.8 The Committee note that an amount of Rs 54 crore was allocated for 2011-12 under the Jute Technology Mission (JTM) scheme but no expenditure could be incurred since the target period for completion of JTM expired on March 31, 2011. The Committee are dismayed to note that the scheme expired on March 31, 2011 and till March 31, 2012, the Ministry could not get extension of the scheme. The Committee while deploring such apathetic attitude of the Government, desire that the Ministry should initiate action on such matters well in advance so that implementation of any scheme does not suffer due to procedural delays.

B. Handicrafts

3.9 When the Ministry were asked whether census of handicraft artisans has been completed, it was stated that:

"The census of handicrafts artisans is under progress. However based on the coverage of districts undertaken and other parameter, the number of artisans employed in the handicrafts sector is estimated to be Rs. 68.86 lakhs."

Analysis of various schemes for Handicraft Sector

(i) Human Resource Development Scheme

3.10 The Scheme was launched in 11th Plan in 2007-08.

The Human Resource Development Scheme has been formulated to provide qualified and trained workforce for establishing a strong production base coupled with improvement in quality and use of appropriate techniques, processes and innovative design to meet present day market requirement.

Components

(a) Training through Established Institutions

- (b) Training in Innovative Designs for the persons involved in Pattern making/Talim writing/Plaster/Rubber Moulds/Block making etc.
- (c) Training of Artisans/SHG leaders/NGO in capacity building.
- (d) Conducting Seminars/Workshops
- (e) Training through Guru Shishya Parampara

3.11 As regards the number of artisans who have undergone training under the Human Resource Development scheme vis-à-vis targets fixed, the Ministry stated that:

"Projects are sanctioned under different components of HRD scheme as per the proposals given by the implementing agencies wherein the targets interns of beneficiaries are indicated and the same are monitored accordingly. The total number of trainees trained during the year 2011-12 is 16,918. In HRD scheme against the BE & final RE of Rs. 17.75 crores, the expenditure is Rs. 16.92 crores during 2011- 12 which is 95.34%. The reason for shortfall of 4.66% is only due to non-receipt of viable proposals primarily from NER region."

3.12 On being asked about the number of artisans who have been trained through Guru-Shishya Parampara and whether these trainees given boarding and lodging facility during the training period, the Ministry replied as under:

"2370 number of artisans have been trained through Guru-Shisya Parampara Component of HRD Scheme in 2011-12. Further, boarding and lodging facility under this scheme is not provided to trainees during the period of training as the trainees are from near by clusters where the Master Trainer i.e. Shilgurus, National Awardee/ State Awardee resides. Trainees are selected by the Master Trainer itself with the assistance of our local field offices."

3.13 The Ministry were asked as to how a prospective trainee who resides in a remote area and is not a part of any cluster but has a great potential can take training under a renowned artisan under this scheme, the Ministry replied as under:-

"Total 224 training programmes were conducted during the year 2011-12 by Gurus or Master-craftsperson's under Guru-Shishya Paramapra Component. The Scheme aims to provide hands on training locally and the Master-craftsperson's desiring to impart training under the Scheme submit their proposal to concerned offices wherein proposals are shortlisted based on the eligibility prescribed under the existing guidelines. The Gurus or Master-craftsperson's hail from villages/small

towns across the country and generally reside in craft concentrated areas. The prospective candidate can approach local master-craftsperson for the training as a large number of events are organized under the scheme covering entire country."

3.14 As regards, duration of courses offered under the scheme and timings of classes for artisans, the Ministry replied that:

"The duration of courses are given below as prescribed under the component Training through established institutions

Sl.No	Courses	Duration
1	Short term courses	1 month – 3 months
2	Long term courses	4 months- 9 months.

Timings of courses are generally from 10.00 a.m. to 5.00 p.m. However, sometime it changes as per the climatic condition of that area or at convenience of the Master Trainer."

(ii) Research and Development

3.15 Research and Development scheme was introduced to conduct surveys and studies of important crafts and make in-depth analysis of specific aspects and problems of Handicrafts in order to

generate useful inputs, to aid policy Planning and fine tune the ongoing initiatives; and to have independent evaluation of the schemes implemented by this office. The scheme has been continued for implementation during the Eleventh five year plan.

Following activities have been under taken during the 11th Plan.

- A Survey Studies.
- B Conducting all India Census of handicraft artisans @ 20% districts of the country every year.
- C. Registration of Crafts under Geographical Indication Act & Financial support for certification of raw materials and products.
- D. Setting up of new labs/strengthening of existing labs for standardization/certification of raw materials.
- E. Assisting handicrafts exporters in adoption of GSI global identification standards and for bar coding, including handicrafts mark for generic products.

3.16 The Ministry were asked about the number of new labs which have been set up and the number of existing labs strengthened for certification/ standardization of raw materials in the last 5 years, it was stated that:

"During the last five year, one lab has been set up at Delhi and funds released for setting of 3 more labs at

Moradabad, Jaipur and Jodhpur. However, no assistance has been provided to strengthen the existing labs. Three more labs at Saharanpur, Sitapur and Agartala have been sanctioned but funds are yet to be released."

3.17 On being asked whether any review of the performance of the existing labs has been made, the Ministry replied as under:

"The Government has no lab of its own and hence the question of review of its performance does not arise. Under the R&D scheme an allocation of Rs. 8.25 crores was made in the Budget Estimates and the same was reduced to Rs.7.70 crores in the Revised Estimates and the total expenditure during 2011-12 was to the tune of Rs.4.95 crores which constitute utilization of 64.28% from the allocation made under Revised Estimates and 60% against the allocation made under Budget Estimates."

3.18 As regards, the number of handicrafts mark that have been issued till date and the procedure for issuing handicrafts mark, the reply of Ministry was as follows:-

"No handicrafts mark has been issued till date. The process for establishing feasibility for such mark is under examination."

(iii) Handicrafts Artisans Comprehensive Welfare Scheme

The Scheme has been included in the 11th Five Year Plan.

Two main components, aimed at Insurance Cover and Health Care of Handicrafts Artisan and his family:-

A. *Rajiv Gandhi Shilpi Swasthya Bima Yojana.*

Objective :_Rajiv Gandhi Shilpi Swasthya Bima Yojana aims at financially enabling the artisans community to access to the best of healthcare facilities in the country. This scheme covers not only the artisans but also any three members out of spouse, dependent parents and childrens.

Eligibility: All craft persons whether male of female, between the age group of one day to 80 years will be eligible to be

Bima Yojana for Handicrafts Artisans.

B Bima Yojana for Handicrafts Artisans.

Objective : The objective of “Bima Yojana For Handicrafts Artisans” is to provide life insurance protection to the Handicrafts Artisans, whether male or female, between the age group of 18-60 years.

Eligibility: All crafts persons, whether male or female, between the age group of 18-60 years will be eligible to be covered under the BIMA Yojana For Handicrafts Artisans covered under the Rajiv Gandhi Shilpi Swasthya Bima Yojana.

3.19 Regarding the rationale behind covering only 3 members out of the family of artisans under the Rajiv Gandhi Shilpi Swasthya Bima Yojana, the Ministry replied that this provision was as per the CCEA approved scheme.

3.20 The Committee note with concern that no authentic figures are available regarding the number of artisans employed in the handicrafts sector. As per the census conducted in 1995-96, 47.61 lakhs artisans were employed in handicrafts sector. The Ministry have stated that based on the coverage of the districts undertaken and other parameters, the number of artisans employed in the handicrafts sector is estimated to be 68.86 lakhs. A report of the United Nations, however, has revealed that over the past 30 years, the number of artisans in India has actually declined by 30% as many of these artisans have joined the rank of casual labourers and the informal economy. The Committee note that although census of artisans is in progress but it took the Ministry 17 years to undertake the process. It is inexplicable how the Ministry are introducing schemes, fixing targets and reviewing them without ascertaining the actual number of artisans. The Committee are of the firm view that the Ministry undertake census of the artisans every 10 years as this would help them formulating, implementing and reviewing the schemes meant for the sector more effectively.

3.21 The Committee note that 1393 clusters have been sanctioned under the Baba Saheb Hastshilp Vikas Yojana till March, 2012. Out of 68.86 lakhs artisans in the country only a few are clustered artisans with the result a preponderant majority are deprived of the benefits which accrue to clustered artisans. These artisans cannot get the benefits under the scheme, which makes them dependent on middlemen who exploit them. The Committee, therefore, recommend that the Government come out with a comprehensive scheme to provide quality raw material, training, marketing platform and credit facilities to the artisans who are not part of any cluster or are living in remote areas. The Committee also feel that more and more visits by the officials of DC(Handicrafts) may be made to the remotest of areas where handicraft artisans reside to make them aware of the benefits of clusterisation etc. besides making publicity of various schemes and by involving local governments in a big way.

3.22 The Committee note that under the Rajiv Gandhi Shilpi Swasthya Bima Yojana only 3 members of a family of artisans are covered. The Committee feel that the dependents in an average family of artisan include his spouse, two children and dependant parents which makes it 5 people. In such a situation, it is very difficult for a poor artisan to bear the medical expenses of other family members who are dependant on him. The Committee, thus, find the cover given to 3 members of an artisan's family inadequate. The Committee, therefore, recommend that the number of family members should be increased to at least 5.

3.23 Under the Guru Shishya Parampara component of the HRD scheme, the Committee find that training is provided only to the artisans from nearby clusters where the Master trainer resides. The Committee are, however, of the considered view that the training under the scheme should not be limited to those living in nearby clusters but also extended to those living in remote areas whose skills need to be honed or upgraded.

Considering their financial distress, the Committee recommend that the Ministry should also give suitable TA/DA to these trainees by way of incentive.

The Committee also note that the timings of the courses are generally from 10am to 5pm and sometimes, it changes as per the climatic conditions of that area or at the convenience of the Master Trainer. The Committee feel that the concept of flexible timing may be introduced for the courses taking into account the fact that the trainees may include women who have to take care of their homes and children and artisans who would like to get training after their working hours.

Further, the Committee find that funds have been released for setting of 3 labs under the Research and Development Scheme and the Government do not review the performance of these labs as they have no labs of their own. The Committee find it strange that Ministry are giving funds to labs without having any check on their performance and

efficiency. The Committee recommend that Government ought to monitor the performance of the labs being funded by them to ensure that public funds are utilized properly and effectively.

3.24 The Committee note that the Government are implementing various schemes for the handicrafts sector but statedly, in spite of their best efforts, only 71% of the total budgetary allocation could be spent. In order to make the schemes successful, the Committee recommend that more and more NGOs should be involved in the process of implementation and monitoring. Since, the handicrafts sector is largely unorganized, the Government need to take suitable action to upgrade the skills of the artisans, make available quality raw material on easy terms, provide credit facilities, provide market exposure to them and eliminate middlemen. The Committee also recommend that in order to make handicrafts commercially viable, different Ministries should work in tandem to give momentum to the exports of Indian handicrafts. Handicraft mark on the lines of handloom mark

may also be introduced at the earliest so that genuine Indian craft can be differentiated from the counterfeits. The Committee would like to be apprised of the measures initiated in this behalf in due course.

C. Powerlooms

3.25 As per the information received from the Ministry:

"Survey to have authentic field level data on Powerlooms has not yet been conducted. However, considering the necessity of authentic field level data for planning purposes steps have been taken to conduct a powerloom survey. An Agency has been engaged to conduct the Powerloom Survey. The advance payment is being released. The Survey Report is likely to be completed within 9 months.

3.26 Government of India have launched a revised Scheme 'welfare of Powerloom workers through Group Insurance Scheme' in association with LIC from 1st July 2003.

3.27 In accordance with the XIth Five Year Plan, the scheme has been modified by merging the existing Janashree Bima Yojana (JBY) Scheme and Add-on Group Insurance Scheme (GIS) w.e.f. 1st January 2008. As per the modified Scheme, the total premium is Rs.330/- out of which, Rs.150/- is to be borne by the Office of the Textile Commissioner, Government of India and Rs.100/- is being paid by the LIC from the social security fund of Government of India. Only a premium of Rs.80/- is to be paid by the powerloom

weaver for getting the benefits under the said scheme. The coverage benefit under the scheme is as under:

Natural death	– Rs.60,000/-
Accidental Death	- Rs. 1,50,000/-
Total Permanent Disability	- Rs. 1,50,000/-
Partial Permanent Disability	- Rs. 75,000/-

In addition to the above, a worker under JBY will also be entitled the educational grant of Rs.600/- per child/ per half year for two children studying in IX to XII standard for a maximum period of 4 years under Shiksha Sahayog Yojana (SSY)

3.28 Regarding incentives that are available to powerloom weavers whose children desire to pursue higher studies under Janashree Bima Yojana, the Ministry replied that:

"The Janashree Bima Yojana is being implemented by the Ministry of Textiles under Group Insurance Scheme for powerloom workers / weavers. The Shiksha Sahayog Yojana (SSY) attached to the scheme presently limits coverage of two children of beneficiaries studying in 9th to 12th standards and there is no coverage at present for higher studies beyond 12th class."

3.29 On being asked about the main features of Health Insurance Scheme for powerloom workers/ weavers, the Ministry stated as under:

"At present there is no Health Insurance Scheme available for powerloom weavers. During the 12th Five Year Plan a Health Insurance Scheme on the lines of Rashtriya Swasthya Bima Yojana (RSBY) with OPD facilities will be implemented in areas where the RSBY does not cover this sector, subject to the approval by the Planning Commission."

3.30 About the number of Powerloom Service Centres in existence and that opened in last 5 years and the role of Powerloom Service centres, the Ministry informed that:-

"There are 44 Powerloom Service Centres (PSCs) in the Country, out of which 14 are functioning under the direct administrative control of Office of the Textile Commissioner, Ministry of Textiles and rest 30 centres are under the Textile Research Associations / State Govt. Agencies with financial support from Govt. of India in the form of Grant in aid. During last five years, one Powerloom Service Centre has been approved at Imphal (Manipur). The fund of Rs. 70 Lakhs (out of approved fund of Rs. 94.47 Lakhs) has been released to State Govt. of Manipur to open a powerloom service centre at Imphal under State Govt. of Manipur. The role of Powerloom Service Centre is as follows:

- (i) To impart practical training and skill to powerloom weavers and those who are interested in taking to this vocation to help them acquire the requisite knowledge and skill in weaving to improve their efficiency and skill in producing better quality clothes and in stepping up their productivity;
- (ii) To impart training in the various aspects of loom working, loom maintenance and tuning, loom repairs and servicing.
- (iii) To disseminate knowledge and techniques to powerloom weavers by visiting groups of such weavers on certain fixed days of every month, in increasing productivity and efficiency, reducing wastage and minimising cloth damage at minimum possible costs;
- (iv) To guide the powerloom weavers about modernisation, the manner in which they may go about it and the agencies which they may approach for financial assistance for it;
- (v) To carry out an annual survey to collect and compile statistical information on the number of powerloom units and looms and also on the number of powerlooms modernised and to make an assessment of the effect of such modernisation on production, productivity and quality of the products of the units;
- (vi) To guide the powerloom weavers in marketing their products, including availing themselves of the export opportunities;
- (vii) To provide testing facilities to the powerloom sector;
- (viii) To conduct Seminars/Workshops and organise exhibitions for the benefit of the powerloom sector;
- (ix) To co-ordinate the powerloom development activities with the State Government Authorities;
- (x) To act as an agent to transmit the problems of the powerloom sector to appropriate quarters for solving them;
- (xi) To provide technical consultation facility by rendering technical service; and
- (xii) To advise and guide powerloom units in design development and diversification of activities so as to

facilitate their achieving economy in the scale of operations."

3.31 The Ministry were asked whether these powerloom service centres provide managerial and entrepreneurial training to the weavers, they replied:

"The PSCs are providing trainings only for workers / weavers for employment in powerloom sector. The PSCs are not providing any Managerial Training."

3.32 As regards permanent marketing areas for the powerloom weavers to prevent exploitation by the middlemen/ commission agents, the Ministry stated that:

"At present no permanent areas / plots etc. are assigned for powerloom weavers. However, Mega Cluster Scheme and Integrated Scheme for Powerloom Sector Development proposed for 12th Plan do envisage separate marketing area for facilitating the clusters marketing effort in an organized way. Buyer Seller Meets are organized where the powerloom weavers display their products to attract buyers/ traders/ whole sellers to participate in the meet. Accordingly, the powerloom weavers are facilitated to approach directly to the buyers to avoid middlemen / commission agent for marketing their products. The buyer-seller meet are often held in same places in the same year being such area being potentially rich area, on account of results of sale in the previous years and proximity to the buyers e.g. buyer seller meet is invariably held in Mumbai every year where

buyer groups like Mumbai Merchant Mahajan, Hindustan Chamber of Commerce etc. participate in large numbers."

3.33 When asked about the facilities available to the weavers who are not part of any clusters and are technologically backward to get the knowledge of the state-of-the-art technology and adopt new techniques which are within their means, the Ministry replied that:

"Government of India has implemented 20% Margin Money Subsidy (MMS) under TUFSS on investment on modern technology of machines in powerloom units. There were other options of the subsidy / reimbursement of the interest under TUFSS which can also be availed by powerloom units for upgrading the technology in their units. The Group Workshed Scheme was also implemented for construction of the Sheds with subsidy provided by the Government to set up the powerloom units with modern technology as per TUFSS norms. The schemes implemented by Government were uniformly applicable all over the country. The powerloom weavers outside of clusters are also included in all the programmes/exposure visits for awareness of technology, product development, market etc."

3.34 About the steps taken to provide adequate linkages in terms of availability of raw materials and credit to the clusters and individual weavers by the Ministry, it was stated that:

"At present, there is no scheme to provide credit facilities or raw material to powerloom weavers. Regarding credit facility to the individual weaver, officials of Regional Office / Powerloom Service Centres, are used to conduct meetings, seminars, workshops with powerloom weavers, bank officials, etc. to apprise the benefit and need of modernization and to extend the credit facility to weavers.

However, typical hard interventions like Yarn Bank pre-weaving or processing etc. are proposed in the Integrated Scheme for powerloom sector development as recommended by the Working Group on Powerloom for the 12th Plan."

3.35 The Committee are concerned to note that no survey to have authentic field level data on powerlooms has been conducted so far. The Committee also note that now an agency has been engaged to conduct the powerloom survey and the survey report is reportedly to be completed within next 9 months and in their considered view formulation of schemes, without a fair assessment of the target group and the dimensions of the problems afflicting them, is a shot in the dark. The Committee, therefore, hardly need to stress that the Ministry first undertake a comprehensive survey of the powerloom sector and then formulate the scheme(s).

3.36 The Committee note that the powerloom weavers covered under Janashree Bima Yojana are entitled to an educational grant of Rs 600 per child/ per half year for two children studying in IX to XII standard for a maximum period of 4 years under the Shiksha Sahayog Yojana (SSY). The Committee feel that such grants should also be extended to those weavers whose children are meritorious and wish to take up professional courses as such grants are incentives to those parents who want their wards to study.

3.37 The Committee note that there is no Health Insurance Scheme available for the powerloom weavers. However, a Health Insurance Scheme on the lines of RSBY is proposed to be implemented in areas where the RSBY does not cover the powerloom sector during 12th Plan, subject to approval by the Planning Commission. The Committee are unable to understand the rationale behind such a delay in introducing a Health Insurance Scheme for powerloom weavers when there is already a similar scheme in operation for

handloom weavers and handicrafts artisans. The Committee feel that instead of introducing a new scheme, the Rajiv Gandhi Shilpi Swasthya Bima Yojana or the Health Insurance Scheme for handloom weavers be extended to the powerloom weavers also.

3.38 The Committee note that during last five years one Powerloom Service Centre has been approved at Imphal. The Committee also note that the role of Powerloom Service Centres include imparting practical training and skill to powerloom weavers in various aspects. The Committee find 44 service centers far from adequate for the powerloom industry in which the weavers are largely untrained. The Committee are of the considered view that the Government consider opening new institutes for providing training to the powerloom weavers/workers in all aspects relating to powerloom sector. The Powerloom Service Centres should also impart training in managerial courses for existing entrepreneurs as well as for new entrants. The Powerloom Service Centres besides providing training may also educate the weavers and

entrepreneurs about the various schemes of the Government meant for the powerloom sector.

3.39 The Committee observe that there are no permanent places for the weavers to sell their products and this is one of the major problems for small time powerloom weavers due to which they are exploited by unscrupulous middle-men and agents. The Committee recommend that special marketing areas/places be set up where these weavers can go and sell their products without depending on the middlemen and agents. Taking note that the Government give 20% margin money subsidy under TUFSS on investment on modern technology of machines in powerloom units, the Committee are of the considered view that the Government should also come out with another scheme specially for small powerloom owners who are working on obsolete looms and cannot take benefits of the ambitious schemes of the Ministry but need smaller sums for upgrading of their looms. The Committee, therefore, recommend that the Government undertake a separate study

on the needs of small powerloom owners and come out with a proposal/scheme for their development.

The Committee further find that there is no scheme to provide credit facilities or raw material to powerloom weavers. The Committee find it a step motherly treatment towards the powerloom weavers and urge the Government to look into the problems of this sector and come out with a comprehensive scheme for their benefit at the earliest.

D.Integrated Skill Development Scheme (ISDS)

3.40 The objective of the Scheme is capacity building of Institutions providing skill development & training in Textiles Sector. This Scheme is in line with the National Skill Development Policy. A sectoral target of training 100 lakh persons by the year 2022 in the Textile sector has been fixed. The Scheme has two components:

Component 1: Skill development by augmenting and strengthening the capacity of institutions and schemes under Ministry of Textiles. Through this component, the target would be to train an estimated additional 11.25 lakh persons in various skill sets covering all segments under the ambit of the Ministry of Textiles over a period of 5 years.

Component 2: skill development in partnership with the private sector. The target would be to train an estimated 15.50 lakh

persons in all segments through a PPP model over a period of 5 years.

The target of the Ministry of Textiles is to train an additional 11.25 lakh persons in various skill sets over a period of 5 years under the Integrated Skill Development Scheme.

3.41 When asked about the courses being offered for the trainers under Integrated Skill Development Scheme and steps taken to update their knowledge, the Ministry stated that:

"Under the component I of the scheme, 18 proposals had been approved which covered all facets of skill development including 'Training of Trainers' (ToT) in Apparel, Textiles including Handloom & Handicraft Sector. The trainers for conducting the courses are technically well qualified and have adequate experience of training. On an average, all the trainers have experience of more than 5 years of teaching/training in their subject. Thus, as per the requirement of the course, the trainers undergo orientation training which covers the details about the scheme, training schedule and content, about the target beneficiaries etc. Apparel Training and Design Center (ATDC), one of the implementing agencies under Component I of the scheme has even established a ToT Academy for training their trainers."

3.42 On being asked that whether it is ensured that trainers are conversant in local languages and whether they are computer literate, it was stated that:

"The implementing agencies are ensuring that the trainers are conversant in local languages. The trainers for the courses covered under the scheme are computer literate in most of the cases; however in handicraft sector, the trainers are not computer literate."

3.43 As regards any provision for imparting soft skills to the trainees and whether there are any professional trainers for imparting such skills, the Ministry stated that:

"There are provisions for imparting soft skills to the trainees. As of now there are no professional trainers being engaged by the agencies for the soft skills training; however, the trainers are giving soft skills training also as per the requirement of the course."

3.44 On being asked about how the courses advertised , the Ministry informed that:

"The courses are advertised by individual implementing agencies using the following medium:

- Sending e-mails to industry on ISDS and training

- Distribution of notices
- Hand bills distribution in public places.
- Newspaper articles and advertisements
- Scroll advertisements on local TV Channels"

3.45 When the Ministry were asked whether dedicated personnel were employed for motivating people to take up the courses offered under ISDS, it was stated that:-

"No, the Ministry had not employed dedicated personnel for motivating people to take up the courses offered under ISDS, however, some of the implementing agencies had employed dedicated mobilisers for motivating people to take up the courses offered under ISDS. In many of the implementing agencies, these activities are being undertaken by project directors/coordinators/trainers. NGOs/State Govt. agencies had also been contacted for mobilization of candidates."

3.46 As regards the major recommendations under the Component I of the scheme by PMMC , the following information was supplied by the Ministry :

- a. Dedicated mobilisers to be engaged by all Implementing Agencies (IAs) for effective mobilization and explore various other options also for mobilization of the candidates.

- b. A refresher programme for all the trainers should be organized by all IAs to ensure standardization in training at all the training centers of the IAs. Trainer's Manual can be developed by IAs which can cover not only the course material but also the day wise schedule, roles and responsibilities of trainers, training pedagogy, details about practical exercises, assessment procedures, MIS and maintenance of documents etc.
- c. Every course should have a trainer's manual and it should be given to each trainer.
- d. All implementing agencies should develop Participants' Handbook which shall cover course content in pictorial form wherever possible and should be in local language. Every trainee should be provided with the Participants' Handbook.
- e. Soft Skills training should be the integral part of the training and should be conducted for each batch. The topics such as Discipline, Motivation, Stress Management, Anger Management etc. can also be included so that they can adjust better at the workplace and improve their personality and self-confidence. These soft skills trainings should be conducted by a professional soft skills trainer to make the session effective and add to the personality of the trainees
- f. A scientific method of evaluation need to be developed to maintain standardization in assessment across all the centers. The methodology and parameters of evaluation of the quality of practical samples should be clearly mentioned.

Post training tracking of the candidates should be undertaken by all IAs to ensure actual benefits of the programme including self-employment.

3.47 About the sources of revenue generation of the various implementing agencies under the scheme and whether the industry is contributing towards overall revenue generation of these agencies, the Ministry furnished that:-

"The major source of revenue of the implementing agencies is through fee from the candidates. In case of some of the implementing agencies, industry is contributing towards overall revenue generation in terms of sponsorship of course fee and infrastructure such as machines and space."

3.48.1 The Committee note that 18 proposals have been approved covering all facets of skill development including 'Training of Trainers' under the component I of the Integrated Skill Development Scheme and the orientation of trainers. The Committee are of the view that the trainers should be informed about other schemes of the Ministry which might benefit the trainees. The Committee also recommend that besides imparting the computer skills, trainers should also be given training for imparting soft skills. The Committee

recommend that it should be made compulsory for implementing agencies to recruit trainers who are well conversant in local language. Besides, the material for courses should also be in vernacular languages. The courses offered be more oriented towards imparting practical knowledge and the refresher programmes for updating the knowledge of trainers should be conducted regularly and TA/DA paid to the trainers for attending such programmes.

3.48.2 The Committee note that the Ministry have not employed dedicated personnel for motivating people to take up the courses offered under the Scheme. The Committee endorse the view of the Project Management Consultant that dedicated mobilisers be engaged by all the implementing agencies for effective mobilization and to explore various other options for mobilization of the candidates. The Committee are of the considered view that dedicated mobilisers would, help the other personnel involved with the implementation of the scheme in concentrating on other areas. These mobilisers can also track the trainees in case there is an increase in drop-out

rates in any area, liaison with NGOs/industry and with their help the remotest of areas can also be accessed.

3.49 The Committee find that the Ministry have not carried out any impact study of the courses being offered under the scheme. The Committee also note that as of February 2012 out of 28664 candidates, 6096 have been placed in industry and 5378 have opted for self employment. The Committee are of the view that impact study needs to be carried out to gauge the effectiveness of the courses being offered as these are at the nascent stage and hence can be altered easily. The Committee feel that industry must be encouraged for recruiting the pass-outs on the campuses of these institutes. The Ministry can also coordinate with the industry to give hands-on training to these candidates and share the stipend to be paid to the trainees till the confidence of industry is built. Further, the industry may also be encouraged to sponsor candidates for these courses.

E. Textile Production and Exports

3.50 When asked about the reasons for decline in growth of cloth production during April-December, 2011 particularly in powerloom and hosiery, man-made fibre production, filament yarn production and cotton yarn production, the Ministry gave the following information:-

"Man-made fibre production recorded decrease of about 6% and filament yarn production recorded a decrease of about 2% during Nov.2011. During April-November, 2011, the decline was 2% and 7% respectively. Cotton yarn production decreased by 19% during Nov.2011 and by 13% during April-Nov.2011. Blended and 100% non-cotton yarn production remained the same during November, 2011 and increased by 5% during the year April-Nov.2011. Cloth production by handloom and powerloom segments increased by 5% and 3% and hosiery production decreased by 7% during Nov.2011. During April-Nov.2011, production by handloom increased by 3%, powerloom and hosiery sectors decreased by 4% and 16% respectively. The total cloth production decreased by about 1% during Nov.2011 and by 6% during April-Nov.2011."

F. Minimum support price for cotton

3.51 To protect the interests of the cotton growers, the Government of India fixes Minimum Support Prices (MSP) of kapas (Seed cotton) every year on the recommendation of Commission on Agricultural Costs & Prices (CACCP) which takes into account the cost of cultivation per hectare, cost of production per quintal in various regions of the country, changes in input prices like seeds, pesticides, fertilizers etc., demand and supply situation, effect of industrial cost structure, parity between prices paid and prices received by the cotton farmers etc., plus a reasonable profit margin to the cotton farmers.

3.52 When asked the reasons for decrease in investment in TUFs, the Secretary during the evidence stated that:-

"Basically, there were two or three broad reasons. One is, the interest rates are very high. When we started the scheme, after TUFs subsidy of 5 per cent, they were paying 2 to 3 per cent for the cost of the borrowed capital. Now, it is coming to about 7 to 8 per cent. 7 to 8 per cent after a subsidy of five per cent is a very large amount. They would rather wait. In addition, the markets are low. If they produce and their end product is not getting sold, where is the question that you will have the money to put your equity to be able to get in service your loan at such high rates?"

As I said, there are two or three reasons. This is the main reason. We have been talking to the industry and this is what we get from them that production is low, the off take is low, markets are down so, putting money into upgradation or into expansion does not make sense especially when you are not sure that you will get enough of a profit to be able to plough into feeding the capital expenditure, the interest rates at this rate.

Secondly, as I said, cotton became very volatile last year. As a result of which cotton mills were left with a very high inventory. When inventory is high, your working capital is totally squeezed. So, there again they were not in a position to move.

Thirdly, in addition to everything else the hosiery sector has practically come down, it shut down in 2010. Tirupur is the major hosiery cluster in India. Their off take of hosiery yarn practically died and, therefore, their growth and output had stopped. This was because they had effluent treatment plant problems which are now being addressed. Slowly, new technologies have been found. They are being put down to a zero liquid discharge. As a result of zero liquid discharge they are facing higher costs and technology is also being tested. They are running at about 20to 30 per cent."

3.53 The Committee are concerned to note that the cotton yarn production decreased by 19% during November 2011 and by 13% during April to November 2011. The Committee are of the view that improving cotton acreage and productivity is the key for improving the competitiveness of Indian textiles. The Committee note that though Cotton Technology Mission has been set up for the purpose but still a lot needs to be done. Similarly, more R&D needs to be undertaken in the field including sufficient investment in research programmes related to the betterment of cottonseeds and improving their productivity. Further, the Committee find that Indian weavers are still working on obsolete looms and a weaver who is preoccupied with the volatility in cotton yarn prices cannot think of modernizing his looms. The Committee, therefore, recommend that urgent steps be taken to maintain a balance between the interests of both the weavers and the industry by at least providing raw material to small weavers at reasonable prices in volatile situations.

3.54 The Committee note that no subsidy is given under TUFs for ventures in investment in new designing techniques. The Committee are of the considered view that the Indian textile industry lacks on the innovation front and, therefore, any initiative for new techniques should be encouraged and subsidy given to such ventures. The Committee also note that subsidy is no longer being given for the setting up of common effluent treatment plants under the restructured TUFs. The Committee, therefore, recommend that, if not under TUFs, the Ministry might think of giving other incentives to the entrepreneurs who set up the effluent treatment plants voluntarily. The Committee also note that the revised TUFs Scheme has not been received well by the Industry. The Committee feel that since the cost of borrowing capital has increased, the scheme has become prohibitive specially for the small investors. The Committee, therefore, recommend that the Ministry should come out with some innovative scheme to maintain the tempo of the process of modernization of Indian textile industry.

3.55 The Committee are constrained to point out a general want of due diligence in many wings/offices of the Ministry given their persistent failure to stick to the given time lines while responding to parliamentary matters. In their considered view delay in submitting the information sought is indicative of poor control and command system and a cavalier attitude which must be corrected. The Committee would like to be apprised of the corrective measures taken in this regard to ensure that assurance given to Parliament is fulfilled within the stipulated time.

New Delhi;

**30th April, 2012
10 Vaisakha, 1934 (Saka)**

HEMANAND BISWAL

**CHAIRMAN,
STANDING COMMITTEE ON LABOUR.**

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON
LABOUR HELD ON 13TH APRIL, 2012.**

The Committee met from 1430 hrs. to 1700 hrs. in the Committee Room `E", Parliament House Annexe, New Delhi to take evidence of the representatives of the Ministry of Textiles on Demands for Grants for the year 2012-13.

PRESENT

Shri Hemanand Biswal – CHAIRMAN

MEMBERS

LOK SABHA

2. Shri Raj Babbar
3. Dr. Virendra Kumar
4. Shri Narahari Mahto
5. Shri Hari Manjhi
6. Shri Mahendra Kumar Roy
7. Shri Sanjay Dina Patil
8. Ms. J. Shantha
9. Shri Konakalla Narayana Rao

RAJYA SABHA

10. Shri Mohd. Ali Khan
11. Smt. Renubala Pradhan
12. Shri Ranbir Singh Parjapati
13. Shri G.N. Ratanpuri

SECRETARIAT

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

LIST OF THE REPRESENTATIVES OF THE MINISTRY OF TEXTILES

Sl.No.	Name of the Officer	Designation
1.	Smt. Kiran Dhingra	Secretary
2.	Shri Sourabh Chandra	AS & FA
3.	Shri V. Srinivas	Joint Secretary
4.	Smt. Monika S. Garg	Joint Secretary
5.	Shri Sujit Gulati	Joint Secretary
6.	Smt. Sunaina Tomar	Joint Secretary
6.	Shri N.D. George	Economic Advisor
7.	Shri R.N. Choubey	DC (Handlooms)
8.	Shri S.S. Gupta	DC (Handicrafts)
9.	Smt. Shamsheer Kaur	CCA
10.	Smt. Ishita Roy	Member, Secretary, CSB
11.	Shri A.B. Joshi	Textile Commissioner
12.	Shri K.R. Pillai	CMD, NTC
13.	Shri B.K. Mishra	CMD, CCI

2. At the outset, the Chairman congratulated Smt. Kiran Dhingra on taking charge as Secretary, Ministry of Textiles. He welcomed her and other accompanying officials of the Ministry of Textiles and

invited their attention to the provisions contained in Direction 55 (1) of the Directions by the Speaker.

3. The Chairman, thereafter, asked the Secretary to brief the Committee regarding the Demands for Grants (2012-13) of the Ministry of Textiles.

4. The Secretary briefed the Committee on the budgetary allocations, revised estimates and the actual expenditure for the last year vis-à-vis for the year 2012-13 on various schemes/programmes undertaken by the Ministry through a power point presentation.

5. The members, thereafter, asked questions and sought specific clarifications from the representatives of the Ministry on the various schemes and programmes of the Ministry. The following issues were broadly discussed:-

- (a) General Performance of the Ministry regarding Plan and Non-Plan allocations of the current year and actual utilization of budget allocated during the previous year.
- (b) Need for even pace of expenditure of plan funds and utilization thereof so far as possible.
- (c) Objectives of the Ministry under the 12th Plan.
- (d) E-auctioning of NTC land.
- (e) Brand Building for silk and handlooms.

- (f) Status and activities of NIFT in Srinagar.
- (g) Reasons for decrease in investment under TUFSS
- (h) Inaccuracies in Outcome Budget and Detailed Demands for Grants.
- (i) Basis, and audit, of Grants to Private Organisation and the need for their review so as to derive assurance that the public money was being spent on approved projects.
- (j) Cash incentive scheme for promotion of Exports of carpets and handicrafts.
- (k) Efforts made by the Ministry for utilization of 10% support being given to North-Eastern region.
- (l) Updation of website of Ministry of Textiles and reference of various schemes on website.
- (m) Adequate availability of raw material for the textiles industry.
- (n) Modernization of silk industry and availability of raw silk to the weavers and exploration of new markets and new usages of silk products.
- (o) Encroachment of NTC land and development of multi storey buildings and shop complexes on these lands.
- (p) Coverage of only 3 members of family of artisans under Rajiv Gandhi Shilpi Swasthya Bima Yojana.
- (q) Institutes for courses on handicrafts sector.

6. The Chairman directed the Secretary to send written replies to the unanswered queries of the members to the Secretariat within two days.

7. The Chairman thanked the Secretary and other officials for giving valuable information to the Committee on various subjects.

The witnesses then withdrew.

[A copy of the verbatim proceedings was kept for record].

The Committee then adjourned.

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON LABOUR HELD ON 30TH APRIL, 2012.

The Committee met from 1500 hrs. to 1600 hrs in Room No.116, Parliament House Annexe, New Delhi to consider and adopt the draft Reports on Demands for Grants for the year 2012-13 of the Ministry of Labour and Employment and Ministry of Textiles and Action Taken Report on the Seventeenth Report on 'Welfare of Beedi Workers'.

PRESENT

Shri Hemanand Biswal - Chairman

MEMBERS

LOK SABHA

2. Shri Dara Singh Chauhan
3. Dr. Virendra Kumar
4. Shri Narahari Mahato
5. Ms. Mausam Noor
6. Shri Jayaram Pangi
7. Shri Mahendra Kumar Roy

RAJYA SABHA

8. Shri D. Bandyopadhyay
9. Shri Mohd. Ali Khan
10. Dr. E.M.Sudarsana Natchiappan
11. Shri Rajaram
12. Shri G.N. Ratanpuri

SECRETARIAT

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

2. At the outset, the Chairman welcomed the Members and apprised them about the draft Reports on Demands for Grants for the year 2012-13 of the Ministry of Labour and Employment and Ministry of Textiles and Action Taken Report on the Seventeenth Report on 'Welfare of Beedi Workers'.

3. The Committee then took up the draft Reports one by one in the following order and after detailed deliberations, the Committee adopted the draft Reports without any modification:

- (i) Draft Report on Demands for Grants of the Ministry of Labour and Employment for the year 2012-13;
- (ii) Draft Report on Demands for Grants of the Ministry of Textiles for the year 2012-13; and
- (iii) Action taken by the Government on the Recommendations/Observations contained in the Seventeenth Report (Fifteenth Lok Sabha) on 'Welfare of Beedi Workers'.

4. The Committee then authorized the Chairman to finalise the Reports and to present the same to both the Houses of Parliament.

The Committee then adjourned.

APPENDIX**STATEMENT OF RECOMMENDATION/OBSERVATIONS**

Sl. No.	Para No.	Recommendations/Observations
1.	3.7	<p>The Committee note that the Ministry could utilise Rs. 4260 crore only out of the BE of Rs.5000 crore which was revised to Rs 5503 crore at RE stage. As regards the compliance with the governmental instructions that the pace of expenditure must be even through out the year so far as possible, the Ministry had assured the Committee that they would ensure even pace of expenditure in future. The Committee are dismayed to note that the expenditure during 2011-12 upto the last quarter till 22.3.2012, was Rs 407 crore but it increased to Rs 1363 crore by 31.3.2012 in a span of just one week. Further, on perusal of the figures of last 5 years, the Committee find that the BE for the last 5 years was Rs 18968 crore, the RE 21143 crore and the actual expenditure was Rs 18271 crore. Apparently, the claim of Ministry about their financial performance does not stand to scrutiny in view of their inability to achieve the desired targets. The idling of funds to the tune of Rs 2200 crore till the last week of the financial year is yet another matter of serious concern which needs to be addressed by the Ministry, Worse, rushing expenditure at the end of the financial year besides violation of governmental instructions, may dilute scrutiny and monitoring leading to wasteful expenditure. Since budgeting involves fixation of priorities, foresight and forecasting based on sound</p>

		<p>analysis of past trends and the monitoring capabilities of the Department, the Committee recommend that the Ministry evolve sound budgeting principles and monitoring mechanism so that their resources are optimally allocated, there is no idling of funds and there is no rush of expenditure at the fag end of the financial year.</p>
2.	3.8	<p>The Committee note that an amount of Rs 54 crore was allocated for 2011-12 under the Jute Technology Mission (JTM) scheme but no expenditure could be incurred since the target period for completion of JTM expired on March 31, 2011. The Committee are dismayed to note that the scheme expired on March 31, 2011 and till March 31, 2012, the Ministry could not get extension of the scheme. The Committee while deploring such apathetic attitude of the Government, desire that the Ministry should initiate action on such matters well in advance so that implementation of any scheme does not suffer due to procedural delays.</p>
3.	3.20	<p>The Committee note with concern that no authentic figures are available regarding the number of artisans employed in the handicrafts sector. As per the census conducted in 1995-96, 47.61 lakhs artisans were employed in handicrafts sector. The Ministry have stated that based on the coverage of the districts undertaken and other parameters, the number of artisans employed in the handicrafts sector is estimated to be 68.86 lakhs. A report of the United Nations, however, has revealed that over the past 30 years, the number of artisans in India has actually declined by 30% as many of these artisans have joined the rank of casual</p>

		<p>labourers and the informal economy. The Committee note that although census of artisans is in progress but it took the Ministry 17 years to undertake the process. It is inexplicable how the Ministry are introducing schemes, fixing targets and reviewing them without ascertaining the actual number of artisans. The Committee are of the firm view that the Ministry undertake census of the artisans every 10 years as this would help them formulating, implementing and reviewing the schemes meant for the sector more effectively.</p>
4.	3.21	<p>The Committee note that 1393 clusters have been sanctioned under the Baba Saheb Hastshilp Vikas Yojana till March, 2012. Out of 68.86 lakhs artisans in the country only a few are clustered artisans with the result a preponderant majority are deprived of the benefits which accrue to clustered artisans. These artisans cannot get the benefits under the scheme, which makes them dependent on middlemen who exploit them. The Committee, therefore, recommend that the Government come out with a comprehensive scheme to provide quality raw material, training, marketing platform and credit facilities to the artisans who are not part of any cluster or are living in remote areas. The Committee also feel that more and more visits by the officials of DC(Handicrafts) may be made to the remotest of areas where handicraft artisans reside to make them aware of the benefits of clusterisation etc. besides making publicity of various schemes and by involving local governments in a big way.</p>

5.	3.22	<p>The Committee note that under the Rajiv Gandhi Shilpi Swasthya Bima Yojana only 3 members of a family of artisans are covered. The Committee feel that the dependents in an average family of artisan include his spouse, two children and dependant parents which makes it 5 people. In such a situation, it is very difficult for a poor artisan to bear the medical expenses of other family members who are dependant on him. The Committee, thus, find the cover given to 3 members of an artisan's family inadequate. The Committee, therefore, recommend that the number of family members should be increased to at least 5.</p>
6.	3.23	<p>Under the Guru Shishya Parampara component of the HRD scheme, the Committee find that training is provided only to the artisans from nearby clusters where the Master trainer resides. The Committee are, however, of the considered view that the training under the scheme should not be limited to those living in nearby clusters but also extended to those living in remote areas whose skills need to be honed or upgraded. Considering their financial distress, the Committee recommend that the Ministry should also give suitable TA/DA to these trainees by way of incentive.</p> <p>The Committee also note that the timings of the courses are generally from 10am to 5pm and sometimes, it changes as per the climatic conditions of that area or at the convenience of the Master Trainer. The Committee feel that the concept of flexible timing may be introduced for the courses taking into account the fact that the trainees may include women who have to take care of their homes and children and artisans who would like to get training after their working hours.</p>

		<p>Further, the Committee find that funds have been released for setting of 3 labs under the Research and Development Scheme and the Government do not review the performance of these labs as they have no labs of their own. The Committee find it strange that Ministry are giving funds to labs without having any check on their performance and efficiency. The Committee recommend that Government ought to monitor the performance of the labs being funded by them to ensure that public funds are utilized properly and effectively.</p>
7.	3.24	<p>The Committee note that the Government are implementing various schemes for the handicrafts sector but statedly, in spite of their best efforts, only 71% of the total budgetary allocation could be spent. In order to make the schemes successful, the Committee recommend that more and more NGOs should be involved in the process of implementation and monitoring. Since, the handicrafts sector is largely unorganized, the Government need to take suitable action to upgrade the skills of the artisans, make available quality raw material on easy terms, provide credit facilities, provide market exposure to them and eliminate middlemen. The Committee also recommend that in order to make handicrafts commercially viable, different Ministries should work in tandem to give momentum to the exports of Indian handicrafts. Handicraft mark on the lines of handloom mark may also be introduced at the earliest so that genuine Indian craft can be differentiated from the counterfeits. The Committee would like to be apprised of the</p>

		measures initiated in this behalf in due course.
8.	3.35	The Committee are concerned to note that no survey to have authentic field level data on powerlooms has been conducted so far. The Committee also note that now an agency has been engaged to conduct the powerloom survey and the survey report is reportedly to be completed within next 9 months and in their considered view formulation of schemes, without a fair assessment of the target group and the dimensions of the problems afflicting them, is a shot in the dark. The Committee, therefore, hardly need to stress that the Ministry first undertake a comprehensive survey of the powerloom sector and then formulate the scheme(s).
9.	3.36	The Committee note that the powerloom weavers covered under Janashree Bima Yojana are entitled to an educational grant of Rs 600 per child/ per half year for two children studying in IX to XII standard for a maximum period of 4 years under the Shiksha Sahayog Yojana (SSY). The Committee feel that such grants should also be extended to those weavers whose children are meritorious and wish to take up professional courses as such grants are incentives to those parents who want their wards to study.

10.	3.37	<p>The Committee note that there is no Health Insurance Scheme available for the powerloom weavers. However, a Health Insurance Scheme on the lines of RSBY is proposed to be implemented in areas where the RSBY does not cover the powerloom sector during 12th Plan, subject to approval by the Planning Commission. The Committee are unable to understand the rationale behind such a delay in introducing a Health Insurance Scheme for powerloom weavers when there is already a similar scheme in operation for handloom weavers and handicrafts artisans. The Committee feel that instead of introducing a new scheme, the Rajiv Gandhi Shilpi Swasthya Bima Yojana or the Health Insurance Scheme for handloom weavers be extended to the powerloom weavers also.</p>
11.	3.38	<p>The Committee note that during last five years one Powerloom Service Centre has been approved at Imphal. The Committee also note that the role of Powerloom Service Centres include imparting practical training and skill to powerloom weavers in various aspects. The Committee find 44 service centers far from adequate for the powerloom industry in which the weavers are largely untrained. The Committee are of the considered view that the Government consider opening new institutes for providing training to the powerloom weavers/workers in all aspects relating to powerloom sector. The Powerloom Service Centres should also impart training in managerial courses for existing entrepreneurs as well as for new entrants. The Powerloom Service Centres besides providing training may</p>

		<p>also educate the weavers and entrepreneurs about the various schemes of the Government meant for the powerloom sector.</p>
12.	3.39	<p>The Committee observe that there are no permanent places for the weavers to sell their products and this is one of the major problems for small time powerloom weavers due to which they are exploited by unscrupulous middle-men and agents. The Committee recommend that special marketing areas/places be set up where these weavers can go and sell their products without depending on the middlemen and agents. Taking note that the Government give 20% margin money subsidy under TUFs on investment on modern technology of machines in powerloom units, the Committee are of the considered view that the Government should also come out with another scheme specially for small powerloom owners who are working on obsolete looms and cannot take benefits of the ambitious schemes of the Ministry but need smaller sums for upgrading of their looms. The Committee, therefore, recommend that the Government undertake a separate study on the needs of small powerloom owners and come out with a proposal/scheme for their development.</p> <p>The Committee further find that there is no scheme to provide credit facilities or raw material to powerloom weavers. The Committee find it a step motherly treatment towards the powerloom weavers and urge the Government to look into the problems of this sector and come out with a comprehensive scheme for their benefit at the earliest.</p>

13.	3.48.1	<p>The Committee note that 18 proposals have been approved covering all facets of skill development including 'Training of Trainers' under the component I of the Integrated Skill Development Scheme and the orientation of trainers. The Committee are of the view that the trainers should be informed about other schemes of the Ministry which might benefit the trainees. The Committee also recommend that besides imparting the computer skills, trainers should also be given training for imparting soft skills. The Committee recommend that it should be made compulsory for implementing agencies to recruit trainers who are well conversant in local language. Besides, the material for courses should also be in vernacular languages. The courses offered be more oriented towards imparting practical knowledge and the refresher programmes for updating the knowledge of trainers should be conducted regularly and TA/DA paid to the trainers for attending such programmes.</p>
14.	3.48.2	<p>The Committee note that the Ministry have not employed dedicated personnel for motivating people to take up the courses offered under the Scheme. The Committee endorse the view of the Project Management Consultant that dedicated mobilisers be engaged by all the implementing agencies for effective mobilization and to explore various other options for mobilization of the candidates. The Committee are of the considered view that dedicated mobilisers would, help the other personnel involved with the implementation of the scheme in</p>

		<p>concentrating on other areas. These mobilisers can also track the trainees in case there is an increase in drop-out rates in any area, liaison with NGOs/industry and with their help the remotest of areas can also be accessed.</p>
15.	3.49	<p>The Committee find that the Ministry have not carried out any impact study of the courses being offered under the scheme. The Committee also note that as of February 2012 out of 28664 candidates, 6096 have been placed in industry and 5378 have opted for self employment. The Committee are of the view that impact study needs to be carried out to gauge the effectiveness of the courses being offered as these are at the nascent stage and hence can be altered easily. The Committee feel that industry must be encouraged for recruiting the pass-outs on the campuses of these institutes. The Ministry can also coordinate with the industry to give hands-on training to these candidates and share the stipend to be paid to the trainees till the confidence of industry is built. Further, the industry may also be encouraged to sponsor candidates for these courses.</p>
16.	3.53	<p>The Committee are concerned to note that the cotton yarn production decreased by 19% during November 2010 and by 13% during April to November 2011. The Committee are of the view that improving cotton acreage and productivity is the key for improving the competitiveness of Indian textiles. The Committee note that though Cotton Technology Mission has been set up for the purpose but still a lot needs to be done.</p>

		<p>Similarly, more R&D needs to be undertaken in the field including sufficient investment in research programmes related to the betterment of cottonseeds and improving their productivity. Further, the Committee find that Indian weavers are still working on obsolete looms and a weaver who is preoccupied with the volatility in cotton yarn prices cannot think of modernizing his looms. The Committee, therefore, recommend that urgent steps be taken to maintain a balance between the interests of both the weavers and the industry by at least providing raw material to small weavers at reasonable prices in volatile situations.</p>
17.	3.54	<p>The Committee note that no subsidy is given under TUFs for ventures in investment in new designing techniques. The Committee are of the considered view that the Indian textile industry lacks on the innovation front and, therefore, any initiative for new techniques should be encouraged and subsidy given to such ventures. The Committee also note that subsidy is no longer being given for the setting up of common effluent treatment plants under the restructured TUFs. The Committee, therefore, recommend that, if not under TUFs, the Ministry might think of giving other incentives to the entrepreneurs who set up the effluent treatment plants voluntarily. The Committee also note that the revised TUFs Scheme has not been received well by the Industry. The Committee feel that since the cost of borrowing capital has increased, the scheme has become prohibitive specially for the small investors. The Committee, therefore,</p>

		recommend that the Ministry should come out with some innovative scheme to maintain the tempo of the process of modernization of Indian textile industry.
18.	3.55	The Committee are constrained to point out a general want of due diligence in many wings/offices of the Ministry given their persistent failure to stick to the given time lines while responding to parliamentary matters. In their considered view delay in submitting the information sought is indicative of poor control and command system and a cavalier attitude which must be corrected. The Committee would like to be apprised of the corrective measures taken in this regard to ensure that assurance given to Parliament is fulfilled within the stipulated time.