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**STANDING COMMITTEE ON LABOUR
(2015-2016)**

SIXTEENTH LOK SABHA

MINISTRY OF TEXTILES

[Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Eighth Report (Sixteenth Lok Sabha) on Demands for Grants (2015-16) of the Ministry of Textiles]

ELEVENTH REPORT



LOK SABHA SECRETARIAT

December, 2015 / Pausha , 1937 (Saka)

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[Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Eighth Report (Sixteenth Lok Sabha) on Demands for Grants (2015-16) of the Ministry of Textiles]

Presented to Lok Sabha on 22.12.2015

Laid in Rajya Sabha on 22.12.2015



LOK SABHA SECRETARIAT

NEW DELHI

December, 2015 / Pausha , 1937 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON LABOUR

(2015-16)

DR. VIRENDRA KUMAR - CHAIRPERSON

MEMBERS

Lok Sabha

2. Shri Udayanraje Pratapsingh Bhonsle
3. Shri Rajesh Diwakar
4. Shri Ashok Kumar Dohrey
5. Shri Satish Chandra Dubey
6. Shri Devajibhai Fatepara
7. Shri Satish Kumar Gautam
8. Dr. Boora Narsaiah Goud
9. Shri Rama Chandra Hansdah
10. Shri C. N. Jayadevan
11. Shri Bahadur Singh Koli
12. Dr. Arun Kumar
13. Shri Kaushalendra Kumar
14. Shri Hari Manjhi
15. Shri R. Parthipan
16. Shri Hariom Singh Rathore
17. Shri Y.S. Avinash Reddy
18. Shri Naba Kumar Sarania (Hira)
19. Shri Kodikunnil Suresh
20. Shri Mulayam Singh Yadav
21. Vacant

Rajya Sabha

22. Shri Nazir Ahmed Laway
23. Shri Aayanur Manjunatha
24. Shri P.L. Punia
25. Shri Rajaram
26. Haji Abdul Salam
27. Ms. Dola Sen
28. Shri Tapan Kumar Sen
29. Shri R.K. Sinha
30. Shri Ravi Prakash Verma
31. Vacant*

* Shri P.Kannan retired from Rajya Sabha w.e.f. 06.10.2015

SECRETARIAT

- | | | | |
|----|-----------------------|---|----------------------|
| 1. | Shri K. Vijaykrishnan | - | Additional Secretary |
| 2. | Shri Shiv Kumar | - | Joint Secretary |
| 3. | Shri Ashok Sajwan | - | Director |
| 4. | Shri D.R. Mohanty | - | Additional Director |
| 5. | Shri Ashikho Alemo | - | Executive Assistant |

INTRODUCTION

I, the Chairperson, Standing Committee on Labour (2015-16), having been authorized by the Committee, do present on their behalf this Eleventh Report on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Eighth Report on the Demands for Grants (2015-16) of the Ministry of Textiles.

2. The Eighth Report was presented to Lok Sabha and laid in Rajya Sabha on 23rd April, 2015. The Ministry of Textiles furnished their replies indicating action taken on the Recommendations contained in that Report on 22nd July, 2015. The Committee considered and adopted the Draft Report at their sitting held on 03rd December, 2015.

3. An analysis of the action taken by the Government on the Observations/Recommendations contained in the Eighth Report of the Committee (Sixteenth Lok Sabha) is given at Appendix-II.

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

New Delhi;
15 December, 2015
24 Pausa, 1937 (Saka)

DR. VIRENDRA KUMAR
CHAIRPERSON
STANDING COMMITTEE ON LABOUR

CHAPTER-I REPORT

This Report deals with the action taken by the Government on the Observations/Recommendations of the Committee contained in their Eighth Report (Sixteenth Lok Sabha) on the Demands for Grants (2015-16) of the Ministry of Textiles.

2. The Eighth Report was presented to Lok Sabha/laid in Rajya Sabha on 23rd April, 2015. It contained 13 Observations/Recommendations. Replies of the Government in respect of all the Recommendations have been received and are categorized as follows:-

- | | | |
|-------|---|---|
| (i) | Observations/ Recommendations which have been accepted by the Government –
Recommendations Para Nos. 1, 2, 3, 4, 5, 8, 9, 10, 11, 12 and 13 | Total: 11
Percentage: 84.6 |
| (ii) | Observations/ Recommendations which the Committee do not desire to pursue in view of the Government's reply –
NIL | Total: 00
Percentage: 00 |
| (iii) | Observations/ Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration –
Recommendation Para No. 6 | Total: 01
Percentage: 07.7 |
| (iv) | Observations/ Recommendations in respect of which replies of the Government are interim in nature-
Recommendation Para No. 7 | Total: 01
Percentage: 07.7 |

3. The Committee desire that Action Taken Note in respect of Observations/ Recommendations contained in Chapter I and final action taken replies in respect of the Recommendation contained in Chapter V for which an interim reply has been given by the Government may be furnished to them at the earliest.

I. Optimal utilisation of the 12th Plan Outlay

(Recommendation Para No. 2)

4. Appreciating a number of measures taken by the Ministry to ensure regular flow of proposals from the States and expeditious release of funds to the Implementing Agencies, the Committee, in their Eighth Report, had reposed trust that the momentum gathered in 2014-15 would be continued in 2015-16 and 2016-17 too, so as to optimally utilise the 12th Plan approved outlay earmarked for various Schemes.

5. In their Action Taken Note furnished to the Committee, the Ministry of Textiles have stated as follows:

“Recommendation of the Committee has been noted for compliance. Ministry is committed to maintaining the momentum in release and is targeting an expenditure of 25 per cent of the budget by June, 2015.”

6. The Committee note with appreciation the Ministry's commitment for maintaining the momentum in release of funds to the Implementing Agencies and targeting an expenditure of 25 percent of the budget by June, 2015. At the same time the Committee, however expect the Ministry to be consistent in their approach in the coming years too so that the Ministry are in a position to optimally utilise the approved annual as well as Five Year Plan outlays.

II. Maximum Utilisation of the 2015-16 Budgetary Allocations

(Recommendation Para No. 4)

7. Observing a comparatively better performance of the Ministry in the utilisation of funds allocated during 2014-15 vis-a-vis 2013-14, the Committee in their Eighth Report, had desired the Ministry to ascertain the reasons for

lesser utilisation of funds in some particular schemes and take measures accordingly to completely avoid surrender of funds during 2015-16.

8. In their Action Taken Note furnished to the Committee, the Ministry have stated as follows:

“The recommendations of the Committee have been brought to the notice of all concerned for vigorously carrying forward the need for maximum utilization of the Budgetary Allocation during the year 2015-16”

9. While taking note of the efforts made by the Ministry to avoid surrender of funds and to maximize the utilization of the budgetary allocation during the year 2015-16, the Committee desire that the reasons for surrender of funds in some Schemes during the year 2014-15, be looked into and remedial measures taken as warranted so as to avoid such a situation completely during the year 2015-16.

III. Reduction in Budget Estimates of the Ministry

(Recommendation Para No. 5)

10. Expressing deep concern over the reduction in the Ministry of Textiles' 2015-16 Budget Estimate proposal by a whopping amount of Rs. 4,274.79 crore by the Ministry of Finance based on the past trend of expenditure, the Committee, in their Eighth Report, had impressed upon the Textile Ministry to streamline their plan of expenditure on major Schemes and maximise the annual earmarked funds so as to have a strong ground to get the requisite allocation from the Finance Ministry.

11. The Ministry, in their Action Taken Notes, have submitted as under:

"Recommendation of the Committee has been noted for compliance. To ensure improved utilization of funds under major schemes, the Ministry of Textiles is in the process of reviewing and modifying the guidelines to address the gaps in implementation of these schemes. Secretary (Textiles) has also fixed the expenditure targets for this quarter to ensure funds are released on an even pace during the financial year 2015-16."

12. The Committee note that the Ministry are in the process of reviewing and modifying the guidelines to address the gaps in the implementation of vital schemes like TUFs, ISDS, SITP, etc. In view of the imperatives involved, the Committee urge the Ministry to expedite

finalisation of the review and modification of the guidelines so that the plan of expenditure on major Schemes is evenly paced and utilisation of the earmarked funds too is maximised.

IV. Ceiling of Expenditure in the last quarter of a financial year

(Recommendation Para No. 6)

13. The Committee, in their Eighth Report, had observed that the Ministry of Textiles had not been able to keep the budgetary expenditure within the prescribed ceiling of 33 percent expenditure in the last quarter and 15 percent expenditure in the month of March of a financial year for which they had obtained relaxation from the Ministry of Finance for booking the expenditure beyond the ceiling prescribed during the last quarter of 2014-15. The Committee felt that this might be another reason for the Ministry of Finance to curtail the budgetary proposal of the Textile Ministry during 2015-16 as the expenditure during 2014-15 was not in sync with their instructions. The Committee, therefore, had desired that the utilization of funds during 2015-16 should be evenly spread and in no case should exceed the prescribed ceiling so that the Textile Ministry could gain the confidence of the Ministry of Finance and avoid any curtailment of allocations during RE 2015-16 and beyond.

14. In their Action Taken Note furnished to the Committee, the Ministry of Textiles have stated as follows:

“All Administrative Divisions are requested to note the above Observation/Recommendations of Standing Committee for strict compliance.”

15. The Committee are not satisfied with such reply of the Ministry and feel that by simply requesting the Administrative Divisions to take note of the Recommendations of the Committee for compliance, the Ministry cannot expect to do justice to their assigned mandate. The Committee, therefore, exhort the Ministry to constantly monitor the expenditure pattern of various Divisions under their administrative control to ensure that there is no departure from the ceiling of 33 percent expenditure in the last quarter and 15 percent expenditure in the month of March of a financial year, as instructed by the Ministry of Finance. The Committee are confident that a vigorous follow up in this regard will not only refrain the Ministry from seeking relaxation from the Ministry of Finance to book expenditure beyond the prescribed ceiling but also facilitate obtaining the annual proposed funds to a greater extent.

V. Evolving a specific Jute Export Promotion Scheme

(Recommendation Para No. 11)

16. Expressing dismay over the absence of a specific Jute export promotion scheme, despite the Government's claim of initiating various measures to increase the export of jute products, the Committee, in their Eighth Report, had impressed upon the Ministry to evolve a specific export promotion scheme for jute so as to encourage reputed manufacturers/exporters to contribute to the volume of exports. The Committee further had recommended that requisite steps be taken to make jute, being eco-friendly, accepted internationally as the preferred packaging material besides achieving the export target.

17. The Ministry, in their Action Taken Note, have submitted as under:

"The jute goods export has shown a declining trend in 2014-15. In the context of a proposal to introduce a "New Export Incentive Scheme for Jute Products", Ministry of Commerce has advised that in the context of the World Trade Organisation (WTO) Agreement on Subsidies and Countervailing Measures (ASCM), based on the current status of India as an Annexure VII country, it would not be feasible to provide any additional export subsidy to such jute products which would fall within purview of textile and textile products. To improve the export, National Jute Board (NJB) has been instructed to prepare a scheme to facilitate Indian jute exporters to produce export quality jute goods based on the advice of Ministry of Commerce. The scheme should provide incentive to certain product groups instead of an additional export subsidy. In compliance with the above suggestions, NJB is in the process of organising a discussion with the jute mills and MSMEs engaged in producing jute diversified products (JDPs), to formulate a promotional scheme for Indian jute goods, which would incentivize export and diversification and help achieve the export target set for 2015-16".

18. The Committee note that with a view to improving the export of jute, the National Jute Board (NJB) has been instructed to prepare a scheme to facilitate Indian jute exporters to produce export quality jute goods based on the advice of the Ministry of Commerce. Accordingly, the NJB is in the process of organising discussions with the jute mills and MSMEs engaged in jute diversified products. While appreciating the measures initiated, the Committee, however, desire the Ministry to impress upon the NJB to finalise the promotional scheme, as per the

advice of the Commerce Ministry, in a definite time frame, so that Indian jute products are incentivized for export and diversification and the annual export targets for jute could also be are optimally achieved.

VI. Contravention of the Jute Packaging Act, 1987
(Recommendation Para No. 12)

19. Taking serious note of the contravention of the stipulated provisions of the Jute Packaging Act, 1987 by some States towards compulsory package of minimum 90 percent of food grains and 20 percent of sugar in jute materials, the Committee, in their Eighth Report, has desired the Textile Ministry to take up the matter with the Ministry of Consumer Affairs, Food and Public Distribution and the State Governments concerned so as to initiate penal action against the delinquent personally owned mills.

20. In their Action Taken Notes, the Ministry have stated as under:

“It has been observed that most of the rice mills located in West Bengal are not using jute bags while packing the foodgrains and are using HDPE/PP bags instead. Through various communications, Government of West Bengal has already been requested to issue necessary instructions to the rice mills for packing paddy/rice in jute bags with the print/mark that the bags are manufactured in India. In this context, Hon’ble Union Minister for Textiles has written to Hon’ble Chief Minister, West Bengal in March, 2015 on the use of Jute Bags by rice mills in the state. Similar letters have been written to other states by Secretary (Textiles).”

21. The Committee are deeply concerned to note that most of the rice mills located in West Bengal are not using jute bags while packing foodgrains. In this context, the Committee find that apart from various communications from the Ministry's side, the Union Minister of Textiles has also taken up the matter with the Chief Minister of West Bengal. The Committee would like the Ministry to vigorously pursue the matter with the Government of West Bengal as also with other States, where contravention of the Jute Packaging Act, 1987 has been noticed/reported, so that the provision of compulsory packaging of food grains/sugar in jute materials is honoured and defaulting mills are penalised.

CHAPTER-II**OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY
THE GOVERNMENT****(Recommendation No.1)**

The Committee note that the proposed outlay by the Ministry for the 12th Five year Plan was Rs.40,203.19 crore whereas the approved outlay was Rs.25,931 crore. The cumulative expenditure during the first three years of the Plan period *i.e* 2012-13, 2013-14 and 2014-15 (upto 15th February, 2015) has been Rs.9,561.65 crore constituting less than 40 percent of the approved outlay. The Ministry have reasoned that there is a stepwise procedure and consequent time lag involved in the implementation of Schemes and they have been able to firm up all the major Schemes at the end of the 3rd year of the 12th Plan. The Ministry have further submitted that they have accelerated sanctions and expenditure for the 2014-15 fiscal and resultantly succeeded in incurring expenditure of up to 95 percent of the revised Estimate for 2014-15. The Committee are aware that there is a considerable time lag involved in the implementation of Schemes right from the concept stage to identifying the various components/ beneficiaries and obtaining approval. The Committee, however, do not approve of the 60 percent of the time of the Plan period being consumed for formatting the major Schemes, leaving just two years for implementation. The Committee are, therefore, of the considered view that the vast time lag between the identification and the approval of the Schemes conceptualized be curtailed substantially so that adequate time is left for their implementation within the stipulated timelines so as to achieve the intended goals.

Reply of the Government

Recommendation of the Committee has been noted for compliance. Efforts are being made to rationalize existing schemes. The schemes of the Ministry have been broadly classified under 11 major heads.

(Ministry of Textile's O.M. No. 2/13/2015-parl., dated 22/07/2015)

(Recommendation No.2)

As regards the concrete plan of action to optimally utilise the 12th Plan approved outlay in the remaining two years, the Ministry are reportedly taking a number of measures *viz.* weekly monitoring at the level of Secretary and Joint Secretaries concerned, regular interaction with Chief Secretaries to ensure regular flow of proposals from the States and expeditious release of funds to

the Implementing Agencies. The Ministry have also assured the Committee that all efforts would be made to sustain the momentum gathered in 2014-15. The Committee trust that the accelerated momentum of 2014-15 in terms of financial sanctions and expenditure would be intact in 2015-16 and 2016-17 too so as to maximize the utilization of 12th Plan approved outlay meant for various textiles sector Schemes.

Reply of the Government

Recommendation of the Committee has been noted for compliance. Ministry is committed to maintaining the momentum in release and is targeting an expenditure of 25 per cent of the budget by June, 2015.

(Ministry of Textile's O.M. No. 2/13/2015-Parl., dated 22/07/2015)

(Recommendation No.3)

The Committee note that the BE for Annual Plan 2014-15 was Rs.4,831 crore which was reduced to Rs.3,500 crore at the RE stage against which the Actual (provisional) expenditure based on the expenditure booked as on 31st March, 2015 was Rs.3,311.75 crore constituting about 94.62 percent of the RE provision. Similarly, for Non-Plan expenditure, the Ministry projected an amount of Rs.866.43 crore which was clipped to Rs.683.54 crore at the RE stage and the Actual (provisional) Non-Plan expenditure was RE 664.37 crore constituting about 97.20 percent of the RE provision. Though the overall utilisation of funds during 2014-15 appears to be encouraging, the Committee deprecate to find that there have been noticeable shortfalls in expenditure in some individual Schemes/Programmes/Activities like National Handloom Development (shortfall of Rs.61.61 crore), Powerloom Health Insurance Scheme (no expenditure), Powerloom Mega Cluster (no expenditure), Research & Development (shortfall of Rs.10.58 crore against the allocation of Rs.12 crore), Integrated Processing Development (no expenditure) Scheme for usage of Geotextiles (no expenditure) and setting up of Hastkala Academy (shortfall of Rs.9.95 crore against the allocation of Rs.10 crore). The Committee, therefore, impress upon the Ministry to accord due import to these Schemes by utilizing the earmarked allocation for them during 2015-16 besides maintaining the pace of expenditure made during 2014-15.

Reply of the Government

Recommendation of the Committee has been noted for compliance. The reason for shortfall in expenditure in each of the schemes mentioned above are being suitably addressed in 2015-16.

(Ministry of Textile's O.M. No. 2/13/2015-Parl., dated 22/07/2015)

(Recommendation No.4)

The Committee are surprised to find that during 2013-14 in as many as 50 Schemes/ Programmes, there was surrender of funds to the tune of approximately Rs.1,334 crore under Plan expenditure and around Rs.61 crore under Non-Plan expenditure against the allocation for that year. Though during 2014-15, the likely surrender of funds is to the tune of Rs.1,412 crore. under Plan expenditure and Rs.187.64 crore under Non-Plan expenditure (actual surrender including technical surrender of difference between RE&BE), the actual surrender during the year is Rs.188.25 crore (Plan) and Rs.19.17 crore (Non-Plan) which is certainly a commendable improvement *vis-a-vis* the expenditure incurred during the previous year. While noting the performance of the Ministry during 2014-15, the Committee would like to know the reasons for savings in some Schemes during 2014-15 and the measures taken to avoid surrender of funds during 2015-16 completely.

Reply of the Government

The recommendations of the Committee have been brought to the notice of all concerned for vigorously carrying forward the need for maximum utilization of the Budgetary Allocation during the year 2015-16.

(Ministry of Textile's O.M. No. 2/13/2015-Parl., dated 22/07/2015)

(Recommendation No.5)

The Committee are deeply concerned to note that against the total Outlay proposal of Rs.7,818.11 crore by the Ministry during 2015-16 fiscal, the Ministry of Finance have restricted the amount to Rs.3,523.32 crore which has adversely affected vital schemes like TUFs, ISDS, SITP, Geotextiles, Agrotextiles, etc. As admitted by the Ministry of Textiles, such reductions in the Budgetary proposals would dampen the promotion of textiles industry and overall developmental and skill development activities in both organized and unorganised sectors. Conversely, the Ministry themselves have candidly admitted that the Ministry of Finance have perhaps curtailed the BE proposals for 2015-16 based on the past trend of expenditure which has been hovering around 60 per cent on an average during the last few years. Needless to say, the Ministry of Textiles have to hold themselves responsible for reduction in their 2015-16 BE proposal by a whopping amount of Rs.4,294.79 crore. The Committee, therefore, feel that it is high time the Ministry streamlined their plan of expenditure on major Schemes and made endeavour to maximize the utilization of the earmarked funds every year so that they have a strong ground

to get the desired allocation from the Ministry of Finance to give the much needed thrust to the textile sector.

Reply of the Government

Recommendation of the Committee has been noted for compliance. To ensure improved utilization of funds under major schemes, the Ministry of Textiles is in the process of reviewing and modifying the guidelines to address the gaps in implementation of these schemes. Secretary (Textiles) has also fixed the expenditure targets for this quarter to ensure funds are released on an even pace during the financial year 2015-16.

(Ministry of Textile's O.M. No. 2/13/2015-Parl., dated 22/07/2015)

(Recommendation No.8)

Pursuant to the Committee's recommendations in their DFG Report of 2014-15 regarding measures for getting viable proposals from the implementing Agencies, the Ministry are reportedly making efforts which *inter-alia* include constant dialogue with the State Governments, regular visit of Technical Experts to the States for guiding them and monitoring different projects, sensitizing the State Governments to submit different proposals, etc. As non- receipt of viable proposals from the Implementing Agencies has remained a persistent cause for shortfalls in the achievement of targets, the Committee desire that the Ministry, besides continuing with the above efforts, should explore more innovative steps so as to ensure receipt of viable proposals from the States which would consequently result in optimal achievement of targets.

Reply of the Government

Recommendation of the Committee have been noted for compliance. It will be the endeavor of the Ministry of Textiles to explore innovative measures for achieving targets. For this purpose the Ministry has already putting into place a web-based e –Samiksha portal for monitoring pending issues between Centre and State Governments, video conferencing between Secretary (Textiles) and Chief Secretary/ concern Secretaries of various states. Secretary (Textiles) and Joint Secretaries are undertaking field visits to understand the specific needs of each State and to invite viable proposals in future.

(Ministry of Textile's O.M. No. 2/13/2015-Parl., dated 22/07/2015)

(Recommendation No.9)

The Committee note that during the 12th Five Year Plan the total allocation for the North-Eastern Region is Rs.2,593.10 crore. The BE 2012-13, 21013-14 and 2014-15 provided for an amount of Rs.700 crore, Rs.463.10 crore and Rs.483.10 crore respectively which was correspondingly reduced to Rs.450 crore, Rs.340 crore and Rs.350 crore respectively. The Actual Expenditure during these years has been Rs.184.65 crore (2012-13), Rs.232.71 crore (2013-14) and Rs.241.03 crore (2014-15). The Committee believe that just earmarking 10 percent of the total annual Budget of the Ministry for the NER serves little purpose without optimally utilising the funds allocated. Considering the rich tradition of the textiles in the eight North-Eastern States, the Committee impress upon the Ministry to make concerted efforts towards maximization of utilisation of the earmarked funds in the NER so that the intended objectives like North East Region Textile Promotion Scheme (NERTPS), Implementation of Catalytic Development Programme Scheme for promoting usage of Agrotextiles and Geotextiles, Handlooms, Handicrafts etc. are achieved for the overall promotion and development of textiles in the North Eastern Region.

Reply of the Government

In order to maximize the funds earmarked for NER, it has been decided to design and implement need based textile projects with necessary flexibility as per the specific requirements of NER states. Strategy and details of various major interventions of Ministry of Textiles in the North Eastern States for optimum utilization of allocated funds is as follows:

1. North Eastern Region Textile Promotion Scheme (NERTPS)

1.1 Ministry of Textiles is implementing the North Eastern Region Textile Promotion Scheme (NERTPS) approved in December 2013 for the development and modernization of textile industry in the North East. It is an umbrella scheme which provides for the development of projects for promotion of Apparel & Garment Manufacturing, Silk, Technology Up-gradation of powerlooms, Handloom and Handicrafts. The Scheme has a total outlay of Rs 1038.10 crore for implementation in the 12th Plan.

1.2 The specific objectives of the scheme include increase in the value of textile production, technology up-gradation, improvement in design capability, diversification of product lines and value addition, better access to domestic and export markets, clusterisation and improvement in labour productivity, market access & market promotion. Out of the total outlay of Rs 1038.10 crore,

so far projects of about Rs. 900 crore have been sanctioned under NERTPS. A few major initiatives under NERTPS are given as below:

(a) Apparel & Garment Making Centers under NERTPS

A landmark initiative under NERTPS for construction of Apparel and Garment manufacturing Centres in the NE States was launched recently with the announcement of Hon'ble Prime Minister on 1st December 2014 in Nagaland. The objective of the scheme is to promote employment in the NE States and encourage entrepreneurship especially amongst women in the area of garmenting which has a huge potential both within the country and abroad. Under the proposed intervention, the Centre would provide assistance @ Rs 18.18 crore per State for the construction of physical infrastructure and purchase of machinery and capacity building for setting up of Apparel and Garment Centres. National Building Construction Company Ltd (NBCC) has been identified as the executing agency for the infrastructure component (construction of workspaces and for Supply/installation and commissioning of machinery). Foundation Stone for Apparel & Garment Making Centre have been laid in all the eight North East States. Construction work has started in most of the states.

(b) Development of Silk Sector under NERTPS

Integrated Sericulture Development Project in the North East State are taken up with the aim to increase the value of textile production, technology up-gradation, improvement in design capability, diversification of product lines and value addition, better access to domestic and export markets, improvement in labour productivity, market access & market promotion. Following projects are undertaken for development of sericulture in NER.

(i) Integrated Sericulture Development Project has been sanctioned to Bodoland Territorial Council (BTC), Meghalaya, Mizoram, Nagaland and Tripura with the total project cost of about Rs. 177 crores under NERTPS for focussed interventions in the areas of seed grainages, chowkie rearing, rearing house, post cocoon and capacity building activities.

(ii) Proposal of creation of seed infrastructure for mulberry, muga and eri in North East has been sanctioned to Central Silk Board with a view to address the basic seed requirement of Eri and Muga in NER states.

(iii) Intensive Bivoltine Sericulture Development Project with a total project cost of about Rs 130 crores has been sanctioned to all NE States which aims at production of international standard Bivoltine Silk by increasing the productivity and lowering the production cost by upgrading the skills of women and providing them with appropriate technology.

(iv) A project for constructing Silk Printing Unit with a GoI support of Rs 3.41 crores has been sanctioned to Government of Tripura.

(c) Handloom Sector:

The North Eastern States accounts for more than 50 per cent of the handlooms in the country. The NERTPS aims to modernize the handloom sector in North Eastern Region by technology upgradation, improvement in design capability, diversification of product lines and value addition, improving access to domestic and export markets, clusterization and improvement in labour productivity. Following projects have been sanctioned in this direction:

- (i) Cluster Development Project for Handloom
- (ii) Technology Upgradation for Handlooms
- (iii) Market promotion for Handloom products
- (d) Handicrafts Sector:

(i) A project for development of Hand crafted Bamboo, Natural Fibre and Textile based clusters has been sanctioned in the state of Assam.

(ii) A project with GoI support of Rs 6.59 crores has been sanctioned to Nagaland for Development of Bamboo, Cane and Wood based Handicraft

(iii) Project for Comprehensive Development of North-Eastern Handicrafts with total project cost of Rs 12.48 cr has been sanctioned under NERTPS for marketing promotion of handicraft projects of NER and national and international market.

(e) Powerloom Sector

Comprehensive Powerloom Development Projects under NERTPS have been sanctioned in the States of Manipur and Sikkim to promote power loom in the NER States.

2. Scheme of Geotechnical Textiles

2.1 Ministry of Textiles has approved the Scheme for Promotion of Usage of Geotechnical Textiles in the North Eastern Region of India scheme for 5 years from 2014-15 to 2018-19 with a financial outlay of Rs. 427 Crores.

2.2 The scheme has the following basic objectives:

- (a) To demonstrate use of geotechnical textiles as a modern cost-effective technology in the development of infrastructure in fragile geological conditions of NER;
- (b) To improve the durability, function and life of infrastructure in NER, while bringing down the life cycle cost of the projects;
- (c) To promote the use of geotechnical textiles material and create a market for these products in the NER by inducing demand in infrastructure development;
- (d) To stimulate investment and development of technical textile industry in the NER and rest of the country.

(Ministry of Textile's O.M. No. 2/13/2015-Parl., dated 22/07/2015)

(Recommendation No.10)

The Committee were apprised that special attention is being given to the development of the NER in general and the generation of productive employment for the youth and women in particular by 'setting up Centres for production of garments and apparels' in each North Eastern State. In view of the fact that the Scheme has been taken up with the objective of promoting employment in the NE States, the Committee exhort the Ministry to accord top priority to the fruition of the Scheme as a component of NERTPS, so as to encourage and promote entrepreneurship especially amongst women of North Eastern Region in the field of garmenting which has a huge potential both within the country and abroad. The Committee further desire that requisite and innovative measures be undertaken to develop/ expand the marketing of the textile produce since production of textile items takes place on a small scale in North Eastern Region due to the geographical isolation and difficult terrain of the region.

Reply of the Government

Ministry has launched the construction of Apparel and Garment making centres in all North Eastern States through a landmark initiative under North East Region Textile Promotion Scheme (NERTPS) of the Ministry. This

intervention marks the beginning of organized textile industry in North-East Region and promotes entrepreneurship in local youth. As regards marketing facility of NER products, it may be noted that Rs. 82.50 crores has been sanctioned for activities pertaining to market promotion of NE Textiles and Handlooms In addition, a project for Rs. 12.48 crore has been sanctioned to EPCH for organising exhibitions, trade events, summit and conferences and printing and circulation of catalogues in the international market, with an objective to create awareness and promote marketing of North East Textile products. Details of various projects sanctioned under NERTPS is given in **Annexure.**

(Ministry of Textile's O.M. No. 2/13/2015-Parl., dated 22/07/2015)

(Recommendation No.11)

The Committee observe that in 2012-13, 1,69,000 MT of Jute worth Rs.1,281.98 crore was exported whereas in 2013-14 it was 1,65,000 MT worth Rs.2,121.94 crore. Export target of jute during 2014-15 was US \$520 million (Rs.3,120 crore) and the estimated achievement is US \$293 million (Rs.1,760 crore) constituting about 56 percent of the export target. The reasons for decline in exports have been attributed to inadequate overseas demand, competition from synthetics, lack of eco friendly brands and internationally accepted standards, absence of specific export promotion scheme for Jute and cheaper labour, capital and power cost in Bangladesh resulting in stiff price competition. The Committee are aware of the constraints of cheaper cost in Bangladesh and inadequate overseas demand resulting in the decline of Jute export in 2014-15. The Committee, however, outright reject other reasons like absence of specific export promotion scheme for jute, lack of eco-friendly and internationally accepted brands. It is incomprehensible that a specific export promotion scheme has not been put in place so far, that too when the Government claims of taking various steps to increase the export of jute goods including incentives to the exporters to increase the production and improve export market for diversified jute products. The Committee, therefore, urge the Ministry to initiate immediate measures and take up the matter at the appropriate fora to evolve a specific export promotion scheme for jute so that large manufacturers/ exporters are encouraged to contribute to the volume of exports. The Committee also desire that requisite steps be taken to develop jute, being eco-friendly, as internationally accepted brand so that it is accepted overseas as the preferred packaging material and the export target of Rs.2000 crore set for the year 2015-16 is also achieved.

Reply of the Government

The jute goods export has shown a declining trend in 2014-15. In the context of a proposal to introduce a “New Export Incentive Scheme for Jute Products”, Ministry of Commerce has advised that in the context of the World Trade Organisation (WTO) Agreement on Subsidies and Countervailing Measures (ASCM), based on the current status of India as an Annexure VII country, it would not be feasible to provide any additional to such jute products which would fall within purview of textile and textile products. To improve the export, National Jute Board (NJB) has been instructed to prepare a scheme to facilitate Indian jute exporters to produce export quality jute goods based on the advice of Ministry of Commerce. The scheme should provide incentive to certain product groups instead of an additional export subsidy. In compliance with the above suggestions, NJB is in the process of organising a discussion with the jute mills and MSMEs engaged in producing jute diversified products (JDPs), to formulate a promotional scheme for Indian jute goods, which would incentivize export and diversification and help achieve the export target set for 2015-16.

(Ministry of Textile's O.M. No. 2/13/2015-Parl., dated 22/07/2015)

(Recommendation No.12)

The Committee note that the Cabinet Committee on Economic Affairs (CCEA) has considered and approved on 20th January, 2015 the Textiles Ministry's proposal stipulating that minimum of 90 percent of foodgrains and minimum 20 percent of sugar to be compulsorily packed in jute packaging materials. In this context, the Ministry have submitted that the entire mechanism is being monitored by the Ministry of Consumer Affairs, Food & Public Distribution. The Ministry have further stated that rice millers in some States are reportedly not using required quantity of jute bags for packing rice. The Committee take serious note of the contravention of the stipulated provisions and desire that the matter be taken up with the Ministry of Consumer Affairs, Food & Public Distribution and the State Governments concerned so that penal action is initiated as per the Statutory provisions of the JP on Act, 1987, against those owners of the company or persons who contravene the provisions of the Act.

Reply of the Government

It has been observed that most of the rice mills located in West Bengal are not using jute bags while packing the foodgrains and are using HDPE/PP bags instead. Through various communications, Government of West Bengal

has already been requested to issue necessary instructions to the rice mills for packing paddy/rice in jute bags with the print/mark that the bags are manufactured in India. In this context, Hon'ble Union Minister for Textiles has written to Hon'ble Chief Minister, West Bengal in March, 2015 on the use of Jute Bags by rice mills in the state. Similar letters have been written to other states by Secretary (Textiles).

(Ministry of Textile's O.M. No. 2/13/2015-Parl., dated 22/07/2015)

(Recommendation No.13)

The Government are reportedly taking a number of steps for the benefit of the jute industry including workers, artisans and jute farmers. Such measures *inter-alia* include launching of the Jute Technology Mission, fixing Minimum Support Price for raw jute, developing better jute seeds and improving agronomical practices for jute cultivation, demonstrating alternate retting technology to farmers to improve the fibre quality of jute, encouraging extensive research in jute in order to increase production of Jute Diversified Products (JDP), promoting R&D to diversify the usage of jute in composites, paper industry, automobiles etc. In view of the significance of jute in India's economy in providing sustenance to more than four million people including jute farmers, workers, labourers and self-employed artisans and weavers especially in the Eastern and North Eastern part of the Country, the Committee exhort the Ministry to intensify the measures already initiated besides exploring new market avenues for leveraging and promoting use and export of jute and jute products both inside and outside the Country so as to attain and sustain a pre-eminent global standing as well as to ameliorate the otherwise deplorable economic conditions of millions of jute farmers, workers and artisans.

Reply of the Government

In addition, the following initiatives is being taken up for the benefit of the jute industry including workers, artisans and jute farmers:-

(i) The Govt. of India encourages extensive research in jute in order to increase production of Jute Diversified Products (JDPS) and promotion of Jute Geotextiles (JGT), which is one of the most important diversified jute products with huge potential to have large scale application. National Jute Board (NJB), a statutory body under this Ministry explores new market avenues for boosting use of jute goods to promote/increase the use of jute/jute products in the country and abroad. NJB regularly organises trade fairs in India and abroad to explore new markets for boosting use of jute goods.

(ii) Linkage has also been established with National Institute of Design (NID) for (i) Setting up of Jute Design Cell for Shopping Bags and Lifestyle Accessories at NID PG Campus, Gandhinagar and an MoU has been signed in May, 2015.

(iii) Currently an international project on JGT with the major funding by the Common Fund for Commodities (CFC), a financial institution under the UN and with support from the Governments of India & Bangladesh is in progress. The project with a total of 26 field trials spread over the two countries (16 in India & 10 in Bangladesh) will end in June 2016. Field trials with JGT have been conducted in both the countries country in areas of low volume road construction, riverbank erosion control and hill slope stabilization under varying geotechnical and climatic parameters. Performance in each such application is being evaluated. The standardization of these products for international acceptability is in process.

(iv) On constant persuasion by Ministry of Textiles, recently the Govt. of West Bengal has issued an order on 23.02.2015 directing use of jute in connection with construction works of engineering departments and organizations of the State Govt., wherever applicable and appropriate. It is expected that other State Govts. would also come forward with similar initiative for use of JGT in the appropriate areas of application.

(v) The project Jute-ICARE (Jute: Improved Cultivation and Advanced Retting Exercise) has been launched in select blocks, where jute cultivation is popular with a view to improving the income of farmers through improvement in yield and the quality of the fibres. The Jute Corporation of India (JCI), Central Research Institute for jute and Allied Fibres (CRIJAF), an R&D organization under the Ministry of Agriculture and National Jute Board (NJB) are jointly implementing the project on a pilot basis. The main components of the Jute-ICARE are as follows:-

(1) Provision of **certified hybrid seeds** (JRO -524) to all jute farmers through the Departmental Purchase Centres (DPC) of Jute Corporation of India (JCI) and Primary Agricultural Cooperative Societies (PACS).

(2) Providing **sowing and weeding machines** developed by Central Research Institute for Jute & Allied Fibres (CRIJAF) to the farmers through the PACS.

(3) Training of jute farmers in **better agronomic practices** through PACS, JCI and CRIJAF.

(4) Free / subsidized **'Sona' microbial consortium** developed by CRIJAF for use in jute retting through PACS.

National Jute Board earmarked two Blocks namely, Karimpur – I & Karimpur – II under Nadia District of West Bengal and (ii) Berhampore Block

under Murshidabad District of West Bengal. Total area of 10000 hectares covering over 15000 farmers has been identified in the project. Training and seed distribution works have been started in the above mentioned blocks in West Bengal.

(Ministry of Textile's O.M. No.. 2/13/2015-Parl., dated 22/07/ 2015)

CHAPTER-III

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

NIL

CHAPTER-IV**OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION****(Recommendation No.6)**

As per the instructions of the Ministry of Finance, the ceiling of 33 percent expenditure in the last quarter and 15 percent expenditure in the month of March of a financial year have to be observed by all the Ministerial Departments. Though the Ministry of Textiles have claimed that all the Units of the Ministry have been instructed round the year to strictly adhere to these Guidelines/ Instructions issued by the Ministry of Finance, the Committee find that the Ministry of Textiles have not been able to keep the expenditure within the prescribed ceiling for which relaxation was obtained from the Ministry of Finance for booking the expenditure beyond the ceiling prescribed during the last quarter of 2014-15. The Committee feel that this might be another reason for the Ministry of Finance to curtail the budgetary proposal of the Textile Ministry during 2015-16 as the expenditure during 2014-15 was not in sync with their instructions. The Committee, therefore, desire that the utilization of funds during 2015-16 should be evenly spread and in no case should exceed the prescribed ceiling so that the Textile Ministry could gain the confidence of the Ministry of Finance and avoid any curtailment of allocations during RE 2015-16 and beyond.

Reply of the Government

All Administrative Divisions are requested to note the above observation recommendations of Standing Committee for strict Compliance.

(Ministry of Textile's O.M. No. 2/13/2015-Parl., dated 22/07/2015)

CHAPTER-V**OBSERVATION/RECOMMENDATION IN RESPECT OF WHICH REPLIES OF
THE GOVERNMENT ARE INTERIM IN NATURE****(Recommendation No.7)**

The Committee note that in a number of Schemes the Ministry's performance has been dismal in achieving the physical targets set during the year 2014-15. Schemes/ Programmes where shortfalls have been observed *inter-alia* include Ambedkar Hastshilp Vikas Yojna (AHVY), Rajiv Gandhi Shilpi Swasthya Bima Yojna (RGSSBY), Janashree Bima Yojna (JBY), Group Insurance Scheme (GIS) and Health Insurance Scheme (HIS) in the Powerloom Sector, TUFS, Integrated Textile Park and Human Resource Development. For shortfalls in the achievement of targets in the above Schemes, the Ministry have cited reasons like budget allocation falling short of meeting fresh liabilities, merger of Health Insurance schemes, late approval of EFC, failure of State Governments in according environmental clearance and providing power and water infrastructure, etc. The Committee are distressed to note that almost the same reasons are being advanced by the Ministry every year for shortfalls in meeting the annual physical targets. The Ministry have assured that they are taking a number of measures like periodical meeting of the Union Minister of Textiles with the Textile Ministers of all the States and also that of the Textile Secretary with the Chief Secretaries/Principal Secretaries of the States, field level visits, etc. to ensure optimal achievement of targets during 2015-16. The Committee trust that the measures initiated would be taken to their logical conclusion and the gap between the target set and achievement made would be substantially bridged during 2015-16.

Reply of the Government

Recommendation of the Committee have been noted for compliance and measures are being initiated to take schemes to their logical conclusion and the gap between the target set and achievement made would be substantially bridged during 2015-16.

(Ministry of Textile's O.M. No. 2/13/2015-Parl., dated 22/07/2015)

New Delhi;
December, 2015
Pausa, 1937 (Saka)

DR. VIRENDRA KUMAR
CHAIRPERSON
STANDING COMMITTEE ON LABOUR

APPENDIX-I**Confidential****STANDING COMMITTEE ON LABOUR****(2015-16)****Minutes of the Sixth Sitting of the Committee**

The Committee sat on 03rd December, 2015 from 1030 hrs. to 1100 hrs. in Room No. `131' (Chairperson's Chamber), Parliament House Annexe, New Delhi.

PRESENT

Dr. Virendra Kumar - Chairperson

MEMBERS**LOK SABHA**

1. Shri Satish Chandra Dubey
2. Shri Satish Kumar Gautam
3. Shri C.N. Jayadevan
4. Shri Bahadur Singh Koli
5. Shri Kaushalendra Kumar
6. Shri R. Parthipan
7. Shri Hariom Singh Rathore
8. Shri Naba Kumar Sarania

RAJYA SABHA

9. Shri P.L. Punia
10. Ms. Dola Sen
11. Shri Ravi Prakash Verma

SECRETARIAT

1. Shri K. Vijaykrishnan - Addl. Secretary
2. Shri Shiv Kumar - Joint Secretary
3. Shri Ashok Sajwan - Director
4. Shri D.R. Mohanty - Addl. Director
5. Smt. Archana Srivastva - Under Secretary

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee, convened for consideration and adoption of two Draft Action Taken Reports. Giving an overview of the Recommendations made/reiterated in both the Draft Action Taken Reports, the Chairperson requested the Members to give their suggestions on them, if any.

3. The Committee, then, took up for consideration the following Draft Action Taken Reports and adopted them after some discussions:

(i) Draft Action Taken Report on the Observations/Recommendations of the Committee contained in their Eighth Report (Sixteenth Lok Sabha) on Demands For Grants (2015-16) of the Ministry of Textiles; and

(ii) XX XX XX XX

4. The Committee then authorized the Chairperson to present the Reports to both the Houses.

The Committee then adjourned.

XX Do not pertain to this report

APPENDIX-II**(Vide Para No. 3 of the Introduction)****ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON RECOMMENDATIONS CONTAINED IN THE EIGHTH REPORT OF THE STANDING COMMITTEE ON LABOUR (SIXTEENTH LOK SABHA)**

	Total	Percentage
I. Total number of Recommendations	13	
II. Observations/Recommendations which have been accepted by Government (Rec. Para. Nos.1, 2, 3, 4, 5, 8, 9, 10 11, 12 & 13)	11	84.6%
III. Observations/Recommendations which the Committee do not desire to pursue in view of Government's replies- (Nil)	NIL	NIL
IV. Observations/Recommendations in respect of which Government's replies have not been accepted by the Committee and which requires reiteration – (Rec. Para. No. 6)	01	07.7%
V. Observations/Recommendations in respect of which final replies of Government are of interim in nature (Rec. Para.No.7)	01	07.7%
		----- 100% -----