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STANDING COMMITTEE ON LABOUR

(2015-16)

(SIXTEENTH LOK SABHA)

MINISTRY OF TEXTILES

DEMANDS FOR GRANTS

(2016-17)

EIGHTEENTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

May, 2016/Vaisakha, 1938 (Saka)

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MINISTRY OF TEXTILES

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(2016-17)

Presented to Lok Sabha on 3rd May , 2016

Laid in Rajya Sabha on 3rd May, 2016



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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. Shri Dayakar Pasunoori

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. Shri N. Gokulakrishnan

SECRETARIAT

- | | | | |
|----|------------------------|---|----------------------|
| 1. | Shri K. Vijayakrishnan | - | Additional Secretary |
| 2. | Shri N.C. Gupta | - | Joint Secretary |
| 2. | Shri Ashok Sajwan | - | Director |
| 3. | Shri D.R. Mohanty | - | Additional Director |

INTRODUCTION

I, the Chairperson, Standing Committee on Labour (2015-16) having been authorized by the Committee do present on their behalf this Eighteenth Report on 'Demands for Grants (2016-17)' of the Ministry of Textiles.

2. The Committee considered the Demands for Grants pertaining to the Ministry of Textiles for the year 2016-17 which were laid on the Table of the House on 16th March, 2016. After obtaining the Budget Documents, Explanatory Notes, etc., the Committee took evidence of the representatives of the Ministry of Textiles on 21st March, 2016. The Committee considered and adopted the Report at their sitting held on 2nd May, 2016.

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

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

New Delhi;
2nd May, 2016
12th Vaisakha, 1938 (Saka)

DR. VIRENDRA KUMAR
CHAIRPERSON
STANDING COMMITTEE ON LABOUR

REPORT

PART-I

I. INTRODUCTORY

The Ministry of Textiles, which came into independent existence in 1989 after its separation from the Ministry of Commerce, is responsible for policy formulation, planning, development, export promotion, trade regulation and promotion and preservation of the age old cultural heritage of the Textile Industry. The Ministry initiates policy for faster and inclusive growth and participatory development as the Textiles sector comprising cotton, man-made fibres, jute, sericulture and silk, wool, a number of special fibres and their products as well as Handlooms and Handicrafts play a key role in the Indian economy by way of significant contribution to the GDP, manufacturing output, employment generation and export earnings.

2. The developmental activities of the Ministry are oriented towards making adequate quantities of raw materials available to all sectors of the textile industry and augmenting the production of fabrics at reasonable prices both from the organised and decentralized sectors of the industry. Towards this objective, the Ministry lays down guidelines for planned and harmonious growth of various sectors of the industry. Special emphasis is given to the development of handlooms in view of its large employment potential. The Ministry monitors the techno-economic status of the industry and provides the requisite policy framework for its modernisation and rehabilitation. The Ministry coordinates the activities of Textiles Research Association and lends financial support to them for undertaking research and development.

3. The major schemes being implemented by the Textiles Ministry are National Handloom Development Programme, Mill Gate Price Scheme/Yarn Supply Scheme, Handloom Weavers Comprehensive Welfare Scheme, Integrated Wool Improvement and Development Programme, Baba Shaheb Ambedkar Hastisilp Yojana, Design & Technical Development Marketing Support & Services Scheme, Infrastructure and Technology Development Scheme, Integrated scheme for Development of Silk Industry Powerloom, Mega-clusters Technology Upgradation Fund Scheme, Integrated Scheme for Powerloom Sector Development (ISPSD), Group Insurance Scheme, Group Workshed Scheme, Pilot Scheme for In-Situ Upgradation of plain Powerloom & comprehensive Powerloom Cluster Development Scheme (CPCDS), Textile Workers Rehabilitation Fund Scheme, Scheme for integrated textiles park, Human Resource Development (ISDS), Schemes for Usage of Geo-textiles in the North East, Scheme for promoting Agro Textiles in the North East, Integrated Processing Development Scheme, Workers' Hostel, NER Textiles Promotion Scheme and Research & Development, Setting up of Hastkala Academy in Delhi, Setting up of five mega clusters etc.

4. The Mission of the Ministry is to have a sustainable growth and development of the Textiles Sector in the country, ensure integrated development and promotion of jute sector, develop sericulture and silk sector, wool and woollen Textiles, handicrafts and Handloom sector, modernise powerloom sector, promote the growth and development of technical textiles as well as improve the functioning of the textile PSUs.

5. Continuing the mission initiated last year for making India's development inclusive and participative, the Government endeavours to make the Textile sector more vibrant through several initiatives, the

central focus being on increasing textile manufacturing by building the best in class manufacturing infrastructure, upgradation of technology, fostering innovation and enhancing skill.

6. The Ministry carries out the implementation of various Schemes through their several attached and subordinate offices, Statutory and Autonomous bodies and the Central Public Sector Enterprises.

7. The Demands for Grants of the Ministry of Textiles for the year 2016-17 are given under Demands No.87. The detailed Demands for Grants of the Ministry were laid in Parliament on 16th March, 2016. The Budget Estimate of the Ministry showing plan and Non-Plan expenditure for the year 2016-17 is as under:-

Demand No.87:

(Rupees in Crore)

	Plan	Non-Plan	Total
Revenue			
Voted	3330.00	1244.30	4574.30
Charged	-	-	-
Capital	-	-	-
Voted	20.00	0.52	20.52
Charged	-	-	-
Grand Total	3350.00	1244.82	4594.82

II. XII PLAN OUTLAY AND UTILISATION

8. As regards the Sector/ Scheme wise XII Plan proposal and Approved Outlay and the cumulative Actual expenditure from 2012-13 to 2015-16 (as on 5th February, 2016), the following detailed information was furnished to the Committee:

Sl. No.	Name of Sector/Scheme	12th Plan Proposed Outlay	12th Plan Approved Outlay	Cumulative expenditure from 2012-13 to 2015-16
				exp. As on 05.02.2016#
1	2	3	4	5
A. Village & Small Industry				
1	Handlooms			
i	Millgate Price Scheme / Yarn Supply Scheme	2140.08	705.00	608.68
ii	Marketing & Export Promotion Scheme	1327.85	213.00	41.03
iii	National Handloom Development Scheme (including CHDS)			585.36
iv	Others (Divesified Handloom Development Scheme)	merged into CHDS		
v	Revival, Reforms & Restructuring of Handloom Sector	2737.00	2450.00	560.82
vi	Integrated Handloom Development Scheme	4035.33	435.00	
vii	Handloom Weaver comprehensive Welfare Scheme	3048.15	430.00	251.93
viii	Trade facilitation Center			62.56
ix	Diversified Handloom Development Scheme	605.57	81.31	16.68
	Total (Handlooms)	13893.98	4314.31	2127.06
2	Sericulture			
i	R&D/Transfer of Technology/ Training & IT Initiatives	289.00	203.71	187.71
ii	Seed Organization	125.84	113.09	109.17
iii	Coordination & Makret Develpoment (HRD)	73.45	40.35	25.22
iv	Quality Certification Systems (QCS)	51.50	17.85	8.12
v	Catalytic Development Programme (CDP)	1639.59	889.00	745.58

vi	Export Promotion, Brand Promotion and Infrastructure Upgradations by ISEPC & SMOI	50.00	5.00	1.04
	Total (Sericulture)	2229.38	1269.00	1076.84
3	Handicraft			
i	Design & Technical Development	158.73	114.41	79.74
ii	Baba Saheb Ambedkar Hastshilp Vikas Yojana	816.00	61.97	51.12
	Construction of building Handicraft Bhawan, infrastructure project including, special scheme for NER			5.20
iii	Marketing Support & Services	607.05	227.75	164.14
	Setting up of Hastkala Academy			27.12
iv	Research & Development	67.15	33.20	20.44
v	Integrated Package for J&K	160.00		10.01
vi	Handicraft Artisans Comprehensive Welfare	700.00	229.14	51.68
vii	Human Resource Development (Handicraft)	189.00	117.16	70.02
viii	Infrastructure & Technology Development Scheme	897.00	243.37	39.42
	Total (Handicraft)	3594.93	1027.00	518.89
4	Powerlooms			
i	Integrated Scheme for Powerloom Sector Development includes two new components		60.02	46.42
a	Pilot initiative regarding venture capital Text Fund		35.00	0.00
b	Technological Upgradation of Handloom	355.00	27.46	

	Powerloom Technical Service Center			0.37
ii	Group Insurance Scheme	20.50	20.51	14.33
iii	Group Workshed Scheme		18.71	41.98
iv	Scheme for In-Situ up-gradation of plain Powerlooms New)		150.00	44.15
v	Health Insurance Scheme		23.30	0.00
	Total (Powerloom)	375.50	335.00	147.25
5	Wool & Woolens			
i	Social Security Scheme	3.00	2.00	2.13
ii	IWIDP		91.00	50.07
iii	Quality Processing of Wool & Woollen Scheme		3.00	1.09
v	Others (Wool improvement & Development Programme, Marketing of Raw Wool Including Pashmina & Angora, Marketing & ecport promotion Scheme, Human resource development, Modernization and strengthening of processing facilities)	197.00		
vi	Pashmina Wool Devt Prog			22.52
	Total (Wool & Woolens)	200.00	96.00	75.81
6	Development of Mega Cluster			
i	CHCDS- Handicrafts Mega Cluster	270.00	130.00	140.05
ii	CHCDS- Handloom Mega Cluster	249.00	160.00	47.14
iii	CPCDS – Powerloom Mega Cluster	181.00	110.00	5.72
	Total (Mega Cluster)	700.00	400.00	192.91
	Sub Total (A)	20993.79	7441.31	4138.76
B. Industry & Mineral				
7	NIFT	500.00	255.69	176.59

8	R & D including TRAs	50.00	174.50	19.49
9	Scheme integrated for Textile park(SITP)	1400.00	1900.00	318.48
10	TUFS	15886.00	11952.80	6990.51
11	Jute Technology Mission	762.40	30.00	69.68
13	Export Promotion Studies	20.00	15.22	2.92
14	Common Compliance Code	36.00	20.38	3.44
15	Integrated Scheme for Skill Development (ISDS)		1900.00	420.67
16	Technical Textiles including jute (TMTT)		148.00	97.87
i	Scheme for Usage of Geotextiles in North Eastern Region	500.00	500.00	6.71
ii	Scheme for promoting Agro textiles in North East	55.00	55.00	13.00
	Total (Technical Textiles)	555.00	703.00	117.58
17	Integrated processing Development Scheme (IPDS)		500.00	9.13
18	Flatted factory cum incubation			8.00
19	Workers Hostel			1.51
20	NER Textile Promotion Scheme		1038.10	268.71
	Sub Total(B)	19209.40	18489.69	8406.71
	GRAND TOTAL (A+B).	40203.19	25931.00	12545.47
# Based on releases from PAO				

9. As would be seen from the above, the XII Plan proposed outlay by the Ministry was Rs.40,203.19 crore whereas the approved outlay was Rs.25,931.00 crore. The cumulative expenditure from 2012-13 to 2015-16 (as on 5th February, 2016) has been Rs.12,545.47 crore.

10. In the above context, the Committee asked the Ministry to state the grounds on which the proposed Outlay during the XII Plan period was curtailed by approximately Rs.15,000 crore. In reply, the Ministry stated as under:

"The allocation approved by the Planning Commission for M/o Textiles during 12th plan was Rs.25,931 crores. However, the Ministry of Textiles was ultimately provided Rs.19,985.32 crores at the BE and Rs.15,215.37 crores at the RE stage respectively.

It is clarified that the outlays provided by the Planning Commission in the Plan Document are only indicative and are essentially a statement of intent. The funds which are actually provided at the BE and RE stage to the Ministry of Textiles are decided by the Ministry of Finance and are determined, inter-alia, by factors such as overall availability of funds with the Ministry of Finance, relative sectoral priorities of the Government, etc."

11. Asked to state the Schemes/Projects/Programmes that have suffered the most due to such curtailment, the Ministry submitted as under:

"Schemes which were substantially underprovided as far as Plan outlays in the 12th FYP are concerned, against the demand projected by the Ministry of Textiles are mostly the Technology Upgradation Fund Scheme (TUFS), Handloom schemes (including the component for Yarn supply, Integrated Handloom Development Scheme and Handicrafts schemes."

12. The Committee then desired to know the reasons for poor utilisation of funds during the first four years of the XII Plan period. In reply, the Ministry submitted as follows:

"The cumulative expenditure from 2012-13 to 2015-16 (as on 19.03.2016) is Rs.12,933.80 crore. Even though the XII Plan proposed outlay of the Ministry was Rs. 40,203.19, the Ministry ultimately got Rs.15,215.37 crores at RE stage. Given this, the percentage of expenditure over the years from 2012-13 to 2015-16

(as on 19.03.2016) over RE during the same period is 85%. This percentage increased to 95.27% in 2014-15. Plan expenditure is likely to cross 96% in 2015-16. The shortfall in utilization of funds is mainly due to slow absorption of the value of schemes in the field and slow receipt of viable proposals, delay in the receipt of utilization certificates and procedural delays in getting approvals from the Expenditure Finance Committee as well as pending clearances from State Governments."

13. Asked to state whether the Ministry would be able to utilise the remaining 50 percent of the approved outlay in the last year of the Plan period and the detailed plan of action in this regard, the Ministry stated as under:

"As mentioned above, XII Plan outlay was only indicative and the actual allocation of funds at the RE stage by the Ministry of Finance in the last four years were only 58.8% of the outlay approved. The Ministry of Textiles has written to the Finance Ministry regarding the shrinking budgets of the M/O Textiles despite Textiles being an important focal area under the Make in India mission with valuable contributions being made by the sector to employment, GDP and Foreign exchange."

14. The Ministry further submitted that several new initiatives such as announcement of ATUFS with a requirement of Rs.17,822 crore till March 2023, the launch of the handloom brand, expansion of the skilling programme, announcement of several Textile Parks, launch of the apparel and garment Centres in the North East, renewed initiatives for promotion of Technical Textiles, focus on powerloom sector development etc., have been taken, all of which would require additional funding for bringing these initiatives to fruition.

15. While deposing before the Committee, the Financial Advisor, Ministry of Textiles submitted in evidence as under:

"For 2012-13, our BE was Rs.7,000 crore; actually the RE was only Rs.4000 crore; and we spent 80.6 per cent. Almost the same trend continued in 2013-14, with BE being Rs.4631 crore; we got Rs.3,900 crore and spent Rs.3170 crore. For these two years the anomaly is only because for the Plan schemes any expenditure beyond a certain amount had to go to the Standing Finance Committee in the Department of Expenditure for its clearance. These powers were delegated to the Secretary concerned upto Rs.500 crore only in 2014-15. Since then we have done 95.2 per cent in 2014-15."

III. ALLOCATION AND UTILISATION OF FUNDS DURING 2015-16

16. A perusal of the documents furnished by the Ministry revealed that for the Plan expenditure, the B.E 2015-16 provided an amount of Rs.3,523.31 crore which was reduced to Rs.3,315.31crore at the R.E stage. As on 19th March, 2016 the Ministry have been able to utilise Rs.2,818.35 crore. The Total Outlay proposed by the Ministry during 2016-17 was Rs.3,829.53 crore which has been reduced to Rs.3,500 crore by the Ministry of Finance.

17. In the above context, the Committee desired to know the likely Actual Expenditure by 31st March, 2016 and whether the Ministry would be able to utilise the remaining Rs.1,000 crore (approx) in the last month of the 2015-16 fiscal. In reply, the Ministry stated as under:

"The final allocation made by Ministry of Finance under the RE for Plan Expenditure is Rs.3,208 crores. The Plan expenditure as on 28th March, 2016, has been Rs.2,976 crores (89.6%) already. Ministry has accelerated sanctions and expenditure in the current financial year under all its schemes and expects to incur more than 96% expenditure by 31.3.2016."

18. The Committee then desired to know the areas where the savings are anticipated by the end of 31st March, 2016 and the precise reasons thereof. In reply, the Ministry apprised as follows:

"Most of the savings are anticipated under the SCSP and TSP components as very few proposals/ application have been received under these components of the Plan Schemes. However, the Ministry has taken specific steps to design interventions in Handicrafts, Sericulture and Powerloom sectors, which are likely to increase off-take in the next year (2016-17) under these components."

19. The Committee enquired about the details of all the Schemes/ Budget heads under both Plan and Non-plan expenditure where surrender of funds were likely to happen by the end of the year 2015-16 fiscal along with reasons thereof. In reply the Ministry, furnished the following detailed information:

Subject: Surrender of savings 2015-16.

Name of the Scheme		Amount of surrender (Tentative)	Reason fur surrender
A. North Eastern Region			
i	1201- Scheme for usage of Geo-Textiles in NER		
	255200229120131- Grant in Aid General	Rs 1.92 crore	Non-receipt of adequate and viable proposals
	255200229120135- Grant for Creation of Capital Asset	Rs 9.45 crore	
ii	R&D, Training Transfer of Technology& IT – (NER)		
	255200228040135- Grant for Creation of Capital Asset*	Rs 4.24 crore	Non-receipt of proposal from CSB.
iii	Seed Organisation		
	255200228050131- Grant in Aid General	Rs 0.34 crore	Non-receipt of proposal from CSB.
	255200228050135- Grant for Creation of Capital Asset	Rs 0.47 crore	
iv	Handicraft Artisans Comprehensive Welfare Scheme (NER)		
	255200227120250- Other Charges	Rs 4.00 crore	Receipt of less claims from beneficiaries.
v	Handloom Weavers Comprehensive Welfare Scheme		
	255200226140220- Other Administration Expenses	Rs 0.50 crore	Receipt of less claims.

	255200226140228- Professional Services	Rs 0.50 crore	
	255200226140231- Grant in Aid General	Rs 1.25 crore	
	255200226140250- Other Charges	Rs 0.50 crore	
vi	Agro Textiles -NER		
	255200229120231- Grant in Aid General	Rs 1.00crore	Non-receipt of adequate and viable proposals
	255200229120235- Grant for Creation of Capital Asset	Rs 4.00 crore	
	Total NER	Rs 28.17 cr	
B. Grant-in- Aid General			
i	Seed Organisation		
	285100107090331- Grant in Aid General	Rs 0.18crore	Non-receipt of proposal from CSB.
ii	Technical Textiles including Jute		
	285208202630331- Grant in Aid General	Rs 2.30 crore	Non-receipt of adequate and viable proposal.
iii	6304-Common Compliance Code		
	285208202630431- Grant in Aid General	Rs 1.32 crore	The implementation of the Scheme has been discontinue.
iv	Mega Cluster (Powerloom)		
	285100108180520- Other Administration Expenses	Rs 0.50 crore	Less administrative expenses.
	285100108180528- Professional Services	Rs 1.00 crore	Receipt of less claims.
	Total Grant-in- Aid General	Rs 5.30 crore	
C. Grant-in- Aid Capital Creation			
	SITP		
i	285208202620135- Grant for Creation of Capital Asset	Rs 67.00 crore	Non-receipt of adequate and viable proposals including non-submission of bank guarantee .
ii	Setting up Hast Kala Academy in Delhi		
	285100104380935- Grant for Creation of Capital Asset	Rs 30.00 crore	Appraisal/ Approval of the scheme could not be completed.
iii	Workers' Hostel		
	285208202620335- Grant for Creation of Capital Asset	Rs 2.50 crore	Non-receipt of adequate and viable proposals.
iv	Flatted Factory cum Incubator		
	285208202620435- Grant for Creation of Capital Asset	Rs 3.50 crore	Non-receipt of adequate and viable proposals.
	Total Grant-in- Aid Capital Creation	Rs 103.00 crore	
D. Scheduled Caste Sub Plan			

a	Grants-in-Aids General		
i	Catalytic Development Programme(SCSP)		
	285100789570131- Grant in Aid General	Rs 3.00 crore	Non-receipt of proposal from CSB.
ii	Research & Development (SCSP)		
	285208789130131- Grant in Aid General	Rs 2.00 crore	Non-receipt of proposal.
iii	Pashmina Wool Development (SCSP)		
	285100789590231- Grant in Aid General	Rs 2.50 crore	Funds couldn't be utilize as scheme is being implemented in Leh/Laddakh which is totally a tribal area.
iv	National Handloom Development Programme		
	285100789540131-SCSP- Grant in Aid General	Rs 16.62 crore	Non-receipt of adequate and viable proposals.
	Total Grant-in- Aid General SCSP	Rs 24.12 crore	
b	Grants for Creation of Capital Assets		
i	SITP		
	285208789120135 Creation of Capital Assets	Rs.15.00 Cr.	There is no earmarking of funds for Scheduled Castes in the Scheme
ii	Catalytic Development Programme (SCSP)		
	285208789570135 Creation of Capital Assets	Rs.10.00 Cr.	Non-receipt of proposal from CSB
iii	Pashmina Wool Development (SCSP)		
	2852087895010235 Creation of Capital Assets	Rs.2.50 Cr.	Funds could not be utilize as scheme is being implemented in Leh/ Laddakh which is totally a tribal areas
iv	Research and Development (SCSP)		
	2852087891300135 Creation of Capital Assets	Rs.3.00 Cr.	Non-receipt of adequate and viable proposal
v	In-Situup-gradation of Plain Powerloom		
	28520878930135-Grant-in –Aid General	Rs. 1.87 crore	Non-receipt of adequate and viable proposal
	Total	Rs.32.37 crore	
c	Subsidy-Technology Up-gradation Fund Scheme		
	285208789140133-Subsidies	Rs.51.02 crore	There is no earmarking of funds for Scheduled Caste in the Scheme
d	Export Promotion Studies		
	345300800440150-Other Charges	Rs.1.50 crore	Undertaking less research studies
	Total	Rs.52.52	
E	Tribal Sub- Plan		

i	Pashmina Wool Development (TSP)		
	285100796600031-TSP-Grant in Aid General	Rs.5.00 crore	The funds made available in the first batch of supplementary couldn't be utilised due to onset of severe winter leh-laddakh got cut off for 4-5 months
ii	National Handloom Development Programme		
	285100796540131-TSP-Grant in Aid General	Rs.1.76 crore	Non-receipt of adequate and viable proposals
iii	In-Situ up-gradation of Plain Powerloom		
	285100796570231-TSP-Grant in Aid General	Rs.0.50 crore	Non-receipt of adequate and viable proposals from ST's area
	Total	Rs.7.26 crore	
	Grand Total	Rs.252.74 crore	
	NON-PLAN		Reasons
1	285100103020001 – WSC – Salaries	Rs 2.75 crore	Non filling up of vacant of Posts
2	285100103030001 – IIHT – Salaries	Rs 0.70 crore	Non filling up of vacant of Posts
3	285100107010136 – CSB – Grant in Aid Salaries	Rs 24.91 crore	Non filling up of newly created posts of Scientists.
4	285208202070050 – TWRF – Other Charges	Rs 1.22 crore	Receipt of less claims.
5	285208798020032 – Contribution Cotton – Contributions	Rs 0.90 crore	Less expenditure on international conference.
6	285100800160036 – WDB – Grant in Aid Salaries	Rs. 0.62 crore	Non availing of LTC/ Tuition fee, less tours, no new purchases etc.
	Total	Rs 31.10 crore	

20. As would be seen from the above data, the likely surrender of Funds during 2015-16 under Plan expenditure would be Rs.252.74 crore whereas under Non-Plan expenditure it would be Rs.31.10 crore. The reasons for savings under Plan expenditure for many Schemes/Programmes have been attributed to non-receipt of adequate and viable proposals.

21. In the above context, drawing the attention of the Ministry to the Committee's earlier Report on DFG, wherein they had recommended for corrective measures by the Ministry to get requisite and viable proposals for maximum utilisation of Annual Plan Outlays, the Committee desired to

know the efforts made by the Ministry in that direction. In reply, the Ministry submitted that the following measures were being initiated to ensure implementation of projects in time leading to optimal utilisation of funds:

- (i) Secretary (Textiles) and senior officials have undertaken field visits to States and held discussions with Chief Secretaries of concerned States, West Bengal, Odisha, Assam, Madhya Pradesh, Telangana, Tamil Nadu, Andhra Pradesh, etc.
- (ii) A State Ministers' Conference was also organized by the Hon'ble Minister of Textiles, on 24th September 2014, attended by 10 State Textile Ministers and officials from 15 other states, to deliberate upon the specific needs of each state in order to sync the centre and state policies for employment generation and development of textile industry.
- (iii) With a view to maintaining close liaison with State Governments, each of the Joint Secretary level Officers in the Ministry have also been assigned the responsibility of 5-6 States/Union Territories each in the North, East, West, South and North-Eastern Regions.
- (iv) Streamlining of procedures for implementation of schemes such as TUFs after extensive consultation with different stakeholders;
- (v) Revisions in Scheme guidelines/selection criteria in order to make the implementation more effective keeping in view the ground realities and strengthening and broad-basing the monitoring

system. Initiating process of inviting applications well in advance for timely sanction and release of funds.

- (vi) Stress on identification of suitable implementing agencies to ensure implementation and off take of funds. Ensuring submission of inspection reports from field formations on each activity implemented in their respective jurisdiction and basing these for decision to release of further installment/ grants or otherwise.
- (vii) Independent evaluation of schemes as well as different components there under is entrusted to professional agencies from time to time in order to generate feedback about impact and steps needed to address identified concerns, if any.
- (viii) Use of the web-based e-Samiksha portal effectively for monitoring pending issues between Centre and State Governments for expeditious resolution and timely completion of projects as well as for identification of fresh issues.
- (ix) Modification of schemes, including TUFs, Handloom Schemes, Powerloom Schemes, etc., to increase off take under the Schemes."

22. The Committee then asked whether the Ministry were strictly adhering to the Instructions/Guidelines issued by the Ministry of Finance to Observe the ceiling of 33 percent expenditure in the last quarter and 15% in the last month of March every financial year. In reply, the Ministry stated as under:

"Guidelines/Instructions issued by the Ministry of Finance are being followed by the Divisions. The relaxation of Ministry of Finance is being obtained in some cases wherever necessary on receipt of proposals from beneficiaries/implementing agencies for release of funds beyond 33%/15% in last quarter/ March. Such necessity arise only when the compliance from the beneficiaries and SPVs is received late under the guidelines of the schemes."

23. As regards the details of the Budget proposals of the Ministry for the year 2016-17 and the amount actually provided by the Ministry of Finance, the Ministry stated that the total outlay proposed by the Ministry of Textiles for the year 2016-17 was Rs.3829.53 crore whereas the Ministry of Finance approved Rs.3,500 crore only.

24. In the above context, the Committee desired to know the basis on which the Ministry of Finance curtailed the proposal of the Ministry by Rs.329.53 crore for the year 2016-17 and the extent to which such curtailment would impact the implementation of the ongoing and new schemes. In reply, the Ministry stated as under:-

"A cut of Rs.315 crores has been effected in final B.E 2016-17 of Ministry of Textiles of Rs.3,523 crores. This was a unilateral move on the part of Ministry of Finance. It is learnt that similar cuts were imposed by Ministry of Finance across the board for various Ministries to limit its budgetary deficit."

25. The Ministry further stated that the proposed reduction in the budget would most seriously impact ATUFS, the flagship scheme of the Ministry for which a provision of Rs.17,822 crores was approved by the Cabinet. Other schemes like Handloom development, Powerloom Development, Silk Sector where funds were likely to be fully utilised during the current year would also get affected by the shortage of funds.

26. On the issue of curtailment in the Budgetary proposals of the Ministry, the Financial Advisor, Ministry of Textiles submitted in evidence.

"I will very humbly submit that this exercise of giving allocation to each Ministry is a holistic exercise done by the Department of Expenditure. They have different concerns coming up in different times of the year. To give you an example, Sir, our Budget for 2016-17 announced and given to us was Rs.3,500 crore. In the last minute they removed Rs.150 crore and made it Rs.3350 crore. This is a holistic exercise done by the Department of Expenditure and we have a very little role to play. As soon as it was cut down by Rs.150 crore our Secretary Textile wrote to Secretary Expenditure, our hon'ble Minister wrote to the Hon'ble Finance Minister that this cut should not be imposed but these are unilateral cuts on which the Department of Textile despite all the efforts that we made to get it restored, is not able to do it every year. And, this is the overall concern and priority of the Department of Expenditure in which we have suffered. So, it is something that we have brought to the notice of Finance Ministry every time it has been done but every time we have not been able to succeed. A similar fate is seen in other Ministries also because the overall holistic priority of the Government takes precedence over everything else."

27. Supplementing her colleague, the Secretary, Ministry of Textiles deposed:

"In fact, Sir, I would like to seek the help of this Committee in this because we feel that textile is one sector where there is a lot of potential for employment generation. With very little efforts we can generate employment in the rural areas for women and for SC/ST people also. So, we seek the help of this Committee that our allocation for the coming year should be enhanced. At least the original should be restored why it was cut at the last minute we do not know. Despite our best efforts we could not get it restored. So, I feel that given the priority of this Government to create more employment, I think textile is one sector which the Government should be focusing on with every little efforts we will be able to achieve the targets of employment if we get the right allocation for that, Sir."

28. Asked to state the preparedness of the Ministry on optimal utilisation of funds during 2016-17, the Secretary, Ministry of Textiles submitted that they had already initiated action to ensure 100 percent utilisation of Plan Outlay during the 2016-17 Financial year. She specifically pointed out that the anticipated shortfalls in the North Eastern Region and Scheduled Caste component during 2015-16, would be wiped out during 2016-17 with the Ministry's special focus and timely planning in those areas. The Secretary, Ministry of Textiles further submitted that the Ministry's efforts in achieving the targets had gained significant momentum for which they were confident of utilising the 2016-17 allocations to the optimum.

IV. PHYSICAL TRAGETS AND ACHIEVEMENTS

29. As regards the physical targets set during 2015-16 and the achievements made thereon, the following detailed statement was furnished to the Committee:

Reply: A Statement showing shceme-wise financial/ physical targets and achievements for 2015-16 is given in table below			
Sl No.	Name of Sector/ Scheme		
		Target	Achievements
1	2	7	8
A	Village & Small Industry		
1	Handlooms		
i	Millgate Price Scheme / Yarn Supply Scheme	1220 lakh kgs of yarn to be supplied	1391.96 lakh kgs supplied (upto Feb '16)

ii	National Handloom Development Programme (CHDS + RRR Package)	(i) 0.9 lakh weavers (under Cluster, Group & MI) (ii) 2 lakh WCC to be issued (iii) 400 domestic and participation in 9 international fairs	1.21 weaver under cluster & group approach and 7.73 lakh under MI benefitted, 36,000 WCC issued upto 27.1.16, 1.39 lakh applications pending; 339 domestic and participation in 9 international fairs
ii	Marketing & Export Promotion Scheme (CSS)		merged into Comprehensive Handloom Development Scheme (CHDS)
iii	Revival, Reforms & Restructuring of Handloom Sector		39 APEX, 9642 PWCs and 6310 SHGs and 54,226 individuals weavers covered. 397 domestic marketing events and 15 international fairs
iv	Integrated Handloom Development Scheme (CSS)		merged into CHDS
v	Handloom Weaver comprehensive Welfare Scheme	(i) Health Insurance Scheme (HIS)- discontinued (ii) Mahatma Gandhi Bunkar Bima Yojana (MGBBY)- Life insurance to 7.00 lakh weavers	Mahatma Gandhi Bunkar Bima Yojana (MGBBY)- Life insurance to 2.02 lakh weavers enrolled (upto Nov,15) expected 6 lakh by March 2016
vi	Trade Facilitation Center		Building under construction
vii	Diversified Handloom Development Scheme		Merged into CHDS
	Total (Handlooms)		
2	Sericulture		
i	R&D/Transfer of Technology/ Training & IT Initiatives	Research Projects (i) Mulberry-64 (ii) Projects in Vanya-16 (iii) Post Cocoon-10	33 research projects have been concluded (as on Feb 2016) 7 more will be completed by march 2016.

ii	Seed Organization	Production of 375 lakh disease free layings (dfls)	Production of 429.10 lakh disease free layings (dfls) (upto Feb '16)
iii	Coordination & Market Development (HRD)	Not Quantifiable	Not Quantifiable
iv	Quality Certification Systems (QCS)	Silk Mark labels : 25 Lakhs Authorised Users: 250 Nos. Programmes/Exhibitions: 390 Nos. Cocoon Testing : 10	Silk Mark labels : 25.53 Lakhs Authorised Users: 266 Nos. Programmes/Exhibitions: 510 Nos.
v	Catalytic Development Programme (CDP)(CSS)	Raw Silk Production (MT) (i) Mulberry-22260 (ii) Vanya Silk (a) Tasar-2750 (b)Eri-4825 (c)Muga -165 Total 30000	Raw Silk Production (MT) (i) Mulberry-16314 (ii) Vanya Silk (a) Tasar-2661 (b)Eri-4617 (c)Muga -158 Total- 23750 (As on Jan 2016) with effect from 2015-16 the catalytic development programme has been restructured as Cental sector scheme.
vi	Export Promotion, Brand Promotion and Infrastructure Upgradations by ISEPC & SMOI (New)		The scheme has now been merged with Quality certification system & export /Brand promotion under central sector schemes.
	Total (Sericulture)		
3	Handicraft		
i	Design & Technical Development	274 events	471 events like design developmen workshops, integrated project craft ; awareness programme; 2 commercial market intelligence

ii	Baba Saheb Ambedkar Hastshilp Vikas Yojana	120 new Clusters	90 new clusters approved .
iii	Marketing Support & Services	(i) Domestic: 217 Marketing events like Gandhi Shilp Bazar , Craft Bazar , Exhibition Urban Haat (ii) International - 45 events	Domestic: 208 Marketing events, International - 43 events
iv	Research & Development	1. Research studies/Survey 30 studies 2. Completion of conducting workshop/seminar, Census of handicraft artisans.	(i) 26- studies/Survey (ii) 103 seminars/workshop
v	Integrated Package for J&K		
vii	Handicraft Artisans Comprehensive Welfare	RGSSBY scheme will be implemented in all States in association with M /O Labour. It is proposed to cover 5.00 lakhs artisans under RGSSBY and 2.00 lakhs artisans Aam Aadmi Bima Yojana, Support to 300 Artisans in indigent circumstances in the year 2015-16.	(i) RGSSBY-NIL (ii) AABY- 68,167 artisans covered 254 Artisans supported in indigent circumstances
viii	Development of other crafts in J&K		
ix	Setting up Hast Kala Academy in Delhi		

x	Human Resource Development	Training Through 3 Established Institutions, 2 design mentorship and apprentice programme, handicraft training programme, 120 Guru shishya parampara and 20 training of trainers.	1 Training Through Established Institutions, 4 design mentorship and apprentice programme, 210 training programme, 138 Guru shishya parampara and training of trainers; soft skill = 251. 8
xi	Infrastructure & Technology Development Scheme New)	13 Projects including New Emporia (A class City) - New Emporia rented building - Renovation of Emporia - Ware housing facility - Marketing Hubs in Metro - Design and Craft School - Raw material Bank - Testing laboratory - Integrated Handicrafts Park -	13 projects Two Urban Haats have been sanctioned at Mamallapuram (Chennai) and Eluru (Andhra Pradesh) during the 2015-16. Both the projects are under implementation.
	Total (Handicraft)		
4	Powerlooms		
i	Integrated Scheme for Powerloom Sector Development includes two new components	i) Awareness programmes - Seminars/Workshops-35 (ii) for modernization / upgradation of the PSCs with machines & equipments (iii) Buyer Seller meet-15 (iv) Exposure visit-550 (v) Common facilities Centre-2 (vi) Corpus for Yarn Bank-1 (vii) Sanctioning projects under Tex venture Capital Fund	i) Awareness programmes - Seminars/Workshops-45 (ii) for modernization / upgradation of the PSCs with machines & equipments (ii) Buyer Seller meet- 22 (iii) Exposure visit - 369 (iv) Common facilities Centre-4 (v) Corpus for Yarn Bank- 8 (vii) Tex venture Capital Fund - 2 projects
a	Pilot initiative regarding venture capital Text Fund - Rs 35.00 Crore		

b	Partial Mechanisation of Handlooms - Rs.27.46 Crore (Technological upgradation of HL)		
ii	Group Insurance Scheme	To enrol 1,35,000 powerloom weavers/workers under the scheme	91,033 powerloom weavers/workers enrolled
iii	Group Workshed Scheme	8 projects for establishment of workshed	27 projects
v	Health Insurance Scheme (New)	110,000 powerloom weavers	Nil
vi	Scheme for In-Situ up-gradation of plain Powerlooms (New)	30,430 plain looms to be upgraded leading to improvement in income of the weaver.	44,797 looms have been upgraded with the assistance of subsidy.
vii	Powerloom Development Scheme (Pilot Scheme)		The Ichal Karanji Powerloom MegaCluster project has been taken up. The 1st instalment of Rs.4.11 crore has been released to SPV in February 2016.
	Total (Powerlooms)		
5	Wool & Woolens		
i	Social Security Scheme	10,000 Shepherds	9935 sheep breeders benefitted
ii	Pashmina Wool	To benefit 2.00 lakh Pashmina goats of Ladakh region & 800 families engaged in Pashmina wool rearing, 1 breeding farm and pasture farm, and Feed supplement to 40000 goats, Dehairing Plant.	2 lakh pashmina and 800 families

iii	IWIDP	To benefit 42 lakh sheep by providing healthcare, feed Supplement.	42 lakh sheep benefitted under the scheme.
iv	Quality Processing of Wool & Woollen Scheme	1 New Common Facility Centres for wool processing facilities.	1 New Common Facility Centres for wool processing facilities established and 42 shearing machines
v	Others		
	Total (Wool & Woolens)		
6	Development of Mega Cluster		
i	CHCDS-Handicrafts Mega Cluster	Raw Material Linkages, Credit, Market Development, forward and Backward Linkages,	Setting up of Common Facility Center and Common Service Center at Block Level under progress.
ii	CHCDS-Handloom Mega Cluster	Common Facility Centres, Textile Labs, CAD Centres, Communication Network, Design/Raw Material Banks, Technology upgradation, product Diversification,	76 Block Level Cluster have been sanctioned
iii	CPCDS – Powerloom Mega Cluster	Human Resource and skill Development, Social Security, Physical infrastructure.	Not Quantifiable
iv	Silk Megacluster		The State Government has sanctioned and handed over about 10 acres. of Government land at Belawadi Village of Mysore to Dept. of Handloom & Textiles.
v	Setting up of five mega clusters	Megaclusters apportioned over sectors of Handloom, Handicrafts, Powerloom and Silk as shown above	The project depends upon various factors like availability of land, statutory clearances, finance from other sources and fulfilling certain specified conditions.

vi	Development of Megaclusters		
	Total (Mega Cluster)		
	Sub Total (A)		
B	Industry & Mineral		
7	NIFT	For construction of permanent campus at Shillong Setting up a Campus in J&K To decongest NIFT Delhi Campus	Completion of ongoing projects in Delhi , Chennai, Mumbai are underway and likely to be completed in 2016-17. NIFT Shillong campus will be completed in 2016-17.
9	R & D including TRAs	28 projects to give an impetus to the research in the textile sector	6 research studies completed during 2015-16
10	TUFS	The scheme is in operation w.e.f. 1.4.1999. As on 30.9.2015, 36849 applications with project cost Rs. 268673 crore have been sanctioned. It received an overwhelming response and has become the flagship scheme of the Ministry of Textiles.	Under RR-TUFS, Unique Identity Number (UID) have been issued to 4522 cases having project cost of Rs 23637.41 as on 29.1.2016. Out of this ,Rs 6532 crore is in the 'spinning sector', Rs 5952 crore is for MSME cases, while the rest i.e.Rs 17685 crore is for Non-MSME sector. The subsidy released under TUF Scheme is Rs.21826 crore. The scheme since inception has propelled investment of more than 271480 crore till date.
11	Scheme for Integrated Textile Park	Implementation of a total of 72 park sanctioned unde	11 new parks have been sanctioned.

12	Jute Technology Mission		
13	Export Promotion Studies	An in-depth research study of "Varanasi Handloom Cluster" --"Study for preparation of Corporate Business - cum- Revival Plan for CCIC", Foreign Direct Investment in Indian textile Sector, Existing and Prospective FTAs and its impact on Indian Textile exports, Enhancing Export Competitiveness in Textile Sector	3 studies completed.4 more at mature stage of completion and 3 under process.
14	Sardar Vallabhbhai Patel Institute of Textile Management, Coimbatore (SVPITM)		
15	Foreign Investment Promotion Scheme (FDI)		
16	Common Compliance Code		
17	Integrated Scheme for Skill Devt	4 lakh person	2,38,862 person trained (Upto 18.03.2016) 6.73 Lakh person (since inception and upto 18.03.2016)

18	Technical Textiles / (TMTT)	<p>(i) Standardization, creating common testing facilities with national / international accreditation, indigenous development of prototypes and resource center with I.T. infrastructure.</p> <p>(li) Support for domestic & export market development of technical textiles</p>	<p>(i) Process of setting up & upgradation of centres of excellence is in progress.</p> <p>(ii) Six consultants have already been empanelled for Business Start-up under technology Mission on Technical Textiles (TMTT)</p> <p>(a) 6 units have availed benefits under Business start-up component under TMTT.</p> <p>(b) 72 workshop/seminars on technical textiles had been conducted.</p> <p>(c) 16 Buyer Seller meets had been organised</p> <p>(d) 64 units had been registered for support under Market Development Support for export sales.</p> <p>(e) 5 proposals have been approved under Contract R&D and 4 completed.</p>
	Technical Textiles (New)		
i	Scheme for Usage of Geotextiles in North Eastern Region	To utilise Geo textiles in the development of infrastructure of the NE States by providing technological/financial support through meeting additionality in project cost due to usage of Geotextiles in road, hill/slope protection and water reservoir.	The scheme launched in March 2015 and providing GeoTechnical textile solutions for Road projects/ Hill Slope protection Project and lining of water reservoirs. 24 projects have been approved and further 61 projects have been identified for the application of geo textiles in roads/hill-slope protection and lining of water reservoirs.

ii	Scheme for promoting Agro textiles in North East	Consumption of Agrotexiles in improving the horticulture and floricultural produce of the N-E States	Scheme has become operational in June 2013. 23 Demonstration Centres have been established and 21 are under progress .
iii	Others (Identification of HS codes for technical textiles items, Standards for technical textiles, Export market intelligence, study to generate data on hospital related infections)		
	Total (Technical Textiles)		
19	Integrated processing Development Scheme	Sanctioning projects under the schemes.	6 Projects have been sanctioned and grant released to 2 project.
20	NER Textile Promotion Scheme	1. Manipur Sericulture Project (Mullberry) 2. Integrated Sericulture Development project for Arunachal Pradesh 3. Cluser Development Project for Handloom (total outlay Rs. 135.56 cr) 4. Market Promotion of NE Textiles & Handloom Products 5. Technology Upgradation for Handloom Sector for NER States Apparael and garment making centres in North east states.	1. Manipur Sericulture Project (Mullberry) (work in progress. 38.08 cr released) 2. Integrated Sericulture Development project for Arunachal Pradesh (work in progress. 12.28 cr released) 3. Cluser Development Project for Handloom (work in progress. 33.34 cr released) 4. Market Promotion of NE Textiles & Handloom Products (12.13 cr released towards 21 marketing events) 5. Technology Upgradation for Handloom Sector for NER States 6. Apparel & Garment Marketing centres in NER provide assistance @18 cr per

			state (8 NE states benefited) as on Feb'2015, Out of 8 sanctioned Apparel and Garment making centres, setting up of 6 centres are complete and in remaining 2 centres, construction is progressing. 7. Intensive Bilvoltage Sericulture Projects (work in progress, funds worth 44 crs. released) 8. Comprehensive Powerloom Development Project in Manipur (funds worth 1.58 crores released and work under progress)
21	Workers Hostel	2 Worker hostel were sanctioned in 2014-15. and 1st installment released.	Project under implementation.
22	Housing Scheme for Jute mill workers		
23	Jute Technology Mission-II		
24	Incubation	2 Incubation centres were sanctioned in 2014-15. and 1st installment released.	Released Fund under utilization for implementing the project.
25	Others		
#: Based on releases from PAO			

30. A scrutiny of the above data revealed that in a number of Schemes like National Handloom Development Programme, Handloom Weavers Comprehensive Welfare Scheme, Research & Development Programme under Sericulture, Baba Saheb Ambedkar Hastisilp Vikas Yojana under Handicrafts, Group Insurance Scheme under Powerloom, Scheme for Integrated Textile Park, Integrated Skill Development Programme and Schemes for the North-Eastern Region, there have been shortfalls in

achieving the targets set for 2015-16. Moreover, in a number of Schemes no target was fixed during 2015-16.

31. In the above context, the Committee asked the Ministry to attribute the reasons for shortfalls in the above mentioned schemes and measures taken/ proposed to ensure optimal achievement of targets set for various schemes during 2016-17. In reply, the Ministry submitted that non-receipt of adequate and viable proposals, receipt of less claims from the beneficiaries, non-completion of the Appraisal/Approval processes, no earmarking of funds for SCs, severe winter condition in Leh/ Ladakh etc. were the primary reasons for non-achievement of targets in the Schemes concerned.

32. Asked to state the specific steps taken to overcome the impediments in the achievement of targets, the Ministry submitted as under:

"Considering the significance of the plan schemes in furthering the growth of textile sector in general and its potential for creation of additional employment and furthering exports, the Ministry has been singularly focusing on the implementation of the plan schemes and their outcomes. To this end, a weekly review of the implementation of the plan schemes is conducted in the Ministry and steps are taken to remove the impediments as and when they arise. The ministry also holds regular meetings with the stakeholders including a Conference with the State Textile Ministers with a view to effect continual improvements to plan schemes -both in terms of policy content and focus on ease of implementation -based on the empirical feedback from field units and the states. Specific changes have been made in the guidelines of schemes such as TUFS, Powerloom Upgradation scheme, Handloom Schemes, NERTPS, R&D scheme to enable ease of implementation."

33. The Committee then desired to know the reason for fixing no targets for some schemes during 2016-17 and showing the physical achievement as 'not quantifiable' in respect of some of the Schemes. In reply, the Ministry stated as under:

"Setting of year-wise targets (physical and financial) is a continuous process and the proposed demand targets for 2016-17 have been set based on physical and financial targets. "

V. SOME MAJOR ONGOING AND NEW SCHEMES

(i) National Handloom Development Programme (NHDP):

34. As regards the status, target, achievement and thrust areas of the National Handloom Development Programme (NHDP), the Ministry *inter-alia* submitted as under:

"Under NHDP, 76 block level clusters have been sanctioned so far in 21 States, releasing an amount of Rs. 41.65 crore. During 2016-17, it is proposed to release 2nd installment in respect of these clusters and also, to take up 25 new block level clusters. Under the scheme, handloom agencies, cooperative societies and individual weavers are given a marketing platform to sell their products in domestic and international market. Under the scheme, marketing and exhibition-cum-sale events are sanctioned and their performance with regard to sale of products is monitored by the Office of the Development Commissioner for Handlooms. The target for the year 2015-16 was 400 events in domestic market and 9 events in international market. So far 339 out of 400 events have been sanctioned/organised in domestic market and 9 in internationally. The reason for shortfall in domestic event is because performance in the past was not good and some exhibitions did not yield desired result and hence were not sanctioned. The target for next year exhibitions in respect of domestic events has been fixed to 350 and international events is 22.

India Handloom Brand – The “India Handloom” Brand (IHB) was launched by the Hon’ble Prime Minister of India on the occasion of first National Handloom Day on 07 August, 2015 to endorse the quality of the products in terms of raw material, processing, weaving and other parameters besides social and environmental compliances for earning the trust of the customers. The “India Handloom” brand would be given only to high quality defect-free authentic handloom products for catering to the needs of those consumers who are looking for niche handmade products. The “India Handloom” Brand is aimed at generating a special market space and increased earnings to the weavers. Thus, the concept of “India Handloom” is to brand the handloom products, which are exclusively catering to the “quality”, need of the socio-environmentally conscious consumer. So far 155 registrations have been issued in 34 product categories.

Under CHCDS, 76 block level clusters have been sanctioned so far in 04 mega handloom clusters, releasing an amount of Rs. 23.27 cr. During 2016-17, it is proposed to release 2nd installment in respect of these clusters and also to take up 50 new block level clusters. Also, the committed liabilities of the on-going projects and new projects in different mega handloom clusters like Varanasi, Sivasagar, Murshidabad, Godda, Prakasam & Gudur, Bhagalpur, Virudhunagar and Trichy will be released.

Yarn Supply Scheme (YSS) – Under this Scheme subsidized yarn is supplied to the weavers, cooperative societies and handloom organizations. The target in the year 2015-16 was 1310 lakh kgs against which supply has been 1392 lakh kgs upto February and expected supply by the end of March will be 1550 lakh kg. The target for the year 2016-17 is 1850 lakh kg.

Integrated Textile Office Complex (ITOC) at IIHT, Varanasi:

To provide a common service hub for all stakeholders, including weavers, exporters and marketing agencies, it has been decided to set up an Integrated Textile Office Complex (ITOC) at Indian Institute of Handloom Technology (IIHT), Varanasi. The five floor building will be having a total plinth area of 13,799 square metre. It will house offices of IIHT, Weavers Service Centre, Central Silk Board, NITRA Powerloom Service Centre and NIFT extension

centre. The building will also provide educational facilities for IIHT, such as classrooms, laboratories and library; and common facilities such as auditorium, seminar hall, and cafeteria. The “Integrated Textile Office Complex (ITOC)” is expected to be ready by 15th August, 2017. The construction is being undertaken by CPWD, at an estimated cost of approx. 65 crore rupees.

Concessional Credit under MUDRA scheme:

For making available concessional credit to handloom weavers and weavers’ entrepreneurs under Pradhan Mantri MUDRA Yojana (PMMY), WEAVER MUDRA SCHEME for extending loans up to Rs.5 Lakh to handloom weavers and weavers’ entrepreneurs, has been formulated in association with Punjab National Bank and IDBI Bank by incorporating the benefits already available to handloom weavers under “Concessional Credit Component” viz. interest subsidy, margin money and credit guarantee. A total of 484 loans with sanction amount worth Rs.2.61 crores have by now been sanctioned under MUDRA scheme."

35. The Committee were informed that the scheme of Mahatma Gandhi Bunkar Bima Yojana (MGBBY) was under convergence with the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) for providing insurance cover to handloom weavers. For PMJJBY, the premium amount is Rs.330/- per annum. The weaver will contribute Rs.80/- and balance premium of Rs.250/- will be borne by the Ministry. After series of discussions and deliberation at senior level, the Ministry has written a letter on 25.02.2016 to LIC of India for their formal consent and same is awaited. For coverage under Pradhan Mantri Suraksha Bima Yojana (PMSBY), weavers will be made aware through a publicity campaign and they can purchase this cover at their own since premium amount is only Rs.12/- per annum. For providing scholarship under MGBBY a letter has been written by the Ministry of State (Textiles) on 14.03.2016 to the Minister of Labour & Employment.

36. When the Committee asked in evidence the reasons for enrollment of only two lakh weavers under the 'Mahatma Gandhi Bunkar Bima Yojna' against the target of seven lakh enrollments during 2015-16, the Secretary, Ministry of Textiles submitted that maximum enrolments were being made in the month of March and the Ministry were hopeful of meeting the targets.

37. Not satisfied with the reply, the Committee queried about such low enrollments of weavers out of the existing 43 lakh Handloom weavers in the country. In response, the Secretary, Ministry of Textiles agreeing with the observations of the Committee, submitted that due to less awareness and lack of interest, the enrollment of weavers was on a very low side. The Secretary further submitted that the Scheme was reviewed at the level of the Cabinet Secretary and the Prime Minister pursuant to which the Scheme was going to be merged with the 'Pradahn Mantri Jeevan Bima Jyoti Yojna' from the financial year 2016-17 and to be implemented by the Department of Financial Services.

38. The Secretary, Ministry of Textiles elaborated as under:

"Next year, this stand-alone Yojana which was being implemented by the Ministry of Textiles will not be there. For the life insurance, we will be converging our scheme with the scheme of the banking department so that the problem that you have raised of having too many cooks will be resolved and there will be convergence with better cover for the weaver. Already that decision has been taken at the level of the hon. Prime Minister and we have already issued the notice. Next year onwards, very smoothly, with lesser amount of premium, the weaver will be getting better life coverage, both in the case of natural death and accidental death, which will be up to Rs. 2.0 lakh.

We were also providing scholarship under our scheme. This scholarship part is not there in the Pradhan Mantri Bima Yojana. But we have said that we should not discontinue whatever benefit we were giving to the weavers' children. The Prime Minister has directed the Ministry of Finance to continue with the scholarship scheme also. So, whatever benefits they were getting, a much higher benefit will be given to them, including the scholarship in a very simple way. Now, the application will be given straight to the bank and monitoring will be continuous. Every day, we will be getting this figure as to how many weavers have enrolled. It is a much simpler scheme, with lesser premium and much better convergence."

39. The Committee then asked whether everything would automatically fall in line with the merger. In reply, the Secretary, Ministry of Textiles submitted as under:

"...the convergence which we are now hoping to see in the coming years is not automatically going to proliferate to the ground level. It does not mean that the weavers and artisans will automatically start getting the benefits of this scheme. A lot of effort has to be made in this regard and I assure you that as far as the Ministry of Textile is concerned, we have already started taking steps in this regard. The data about the number of weavers etc. in handloom as well powerloom sector and the artisan of the handicraft sector is almost ready. As DC, Handloom has said, we will be putting this up on our web portal also. With this data, we will be able to make concerted efforts to ensure that these weavers and artisans are motivated to opt for these insurance schemes. We will try to ensure that we will do handholding also, especially in the big clusters, where there is huge concentration of handloom and power loom weavers also. We will try to make interventions there and we will ensure that maximum benefit is given to these weavers and artisans. So, I assure you that this will be monitored every month and we will be having meetings with concerned stakeholders, that is the insurance companies and banks and very strict monitoring of this scheme will be done.

Like you, we are also concerned that the coverage under these schemes should increase. Otherwise, the very purpose of these

schemes gets defeated. So, I assure you with this hope that we will have a better implementation and coverage in the coming year. I would like to assure you that we will take all steps to achieve that."

40. The Committee were informed that the CCEA decided to merge Health Insurance Scheme (HIS) with Rashtriya Swasthya Bima Yojana (RSBY) of the Ministry of Labour & Employment. However, RSBY has been transferred to the Ministry of Health & Family Welfare *w.e.f* 1st April 2015. The Ministry of Health & Family Welfare is formulating a re-structured RSBY and it will be implemented from 1st April 2017. After a series of discussion and deliberation at senior level, the Ministry has written a letter on 23.02.2016 to the Ministry of Health & Family Welfare for coverage of handloom weavers in RSBY for 2016-17 in the existing pattern of RSBY i.e. coverage of Rs.30,000/- without any component of OPD. Reply for the same is awaited.

41. In evidence, when the Committed desired to hear the views of the Secretary, Ministry of Textiles on the merger of RSBY with the Schemes run by the Ministry of Health & Family Welfare, she submitted as under:

"Instead of now implementing stand-alone schemes for our artisans and weavers, we are merging it with the Health Ministry schemes and there again with lesser premium, better coverage will be given. That problem about hospital, etc., will go away because in that scheme they have come up with the thing as to how to empanel the hospitals. The Health Ministry will be administering this Yojana. So, instead of implementing it directly through Ministry of Textiles which was causing these problems because our convergence with LIC and other insurance companies was a little difficult, our monitoring also was a little difficult, but the Ministry of Finance under which both banks and insurance companies are there, they will be implementing this scheme and much more benefit will be given."

42. Asked to state the measures taken by the Ministry to create awareness amongst the weavers about the various insurance Schemes, the Secretary, Ministry of Textiles stated as under:

"The issue of making our weavers aware about it or our artisans aware about it, that is an issue on which we will be working. We will create this awareness amongst our weavers so that they opt for these schemes in larger numbers. We will take this."

43. The Committee then enquired whether the Textile Ministry could tie up with the Labour Ministry for exploring the possibility of empanelling the ESI Hospitals for the provision of healthcare facilities to the weavers/artisans. In reply, the Secretary, Ministry of Textiles submitted that she had noted the suggestion and would explore the feasibility for implementation.

Trade Facilitation Centre & Crafts Museum, Varanasi:

44. Consequent upon the announcement of the Finance Minister in the Budget speech 2014-15 on setting up of Trade Facilitation Centre and Crafts Museum to develop and promote handloom products and carry forward the rich traditions of handlooms of Varanasi the construction of setting up of TFC & CM has already started at Bada Lalpur, Varanasi with a project cost of Rs.281.00 crore. The work will be completed in all respects by August 2017.

M/s Tata Projects Ltd was awarded the work on 18.11.2015 for construction of FC&CM with construction cost of Rs.213.36 crore through tendering process by the National Buildings Construction Corporation Ltd (NBCC) who has been appointed as the Project Management Service Provider. During the year 2015-16, a sum of Rs. 79.96 croe was released against R.E. of Rs.80.90 crore. A sum of

Rs.107.00 crore has been allocated for setting up of TFC & CM for the year 2016-17.

(ii) National Handicraft Development Programme:

45. As regards the National Handicraft Development Programme, the Committee were informed that the various schemes of Office of DC(Handicrafts) have been reviewed and rationalized into one umbrella scheme namely National Handicraft Development Programme (NHDP) to emphasize integrated approach for development of handicraft cluster in a holistic manner. Ambedkar Hastisilp Vikas Yojna, Mega Cluster, Marketing support and services and Research & Development are the main components of the National Handicraft Development Programme.

46. The Committee pointed out in evidence that the Handloom/ Powerloom weavers and the Handicraft Artisans and others working in the Jute Sector were making new and quality products. In that context, the Committee asked the specific measures taken by the Ministry for proper marketing of such products. In reply, the Secretary, Ministry of Textiles deposed that marketing was earlier a weak link in selling the good products for which the Ministry were now focusing on selling the products through e-commerce and e-platforms besides depending on the traditional fairs, exhibitions, craft melas etc. She further apprised that from 2016-17, the Ministry was planning to put in place an integrated marketing plan through which Handloom, Handicraft, Technical Textile, Jute and other products would be showcased at one place. The Secretary also informed that the Ministry were planning to establish marketing intelligence with a view to exploring new markets, products, countries, etc. where adequate focus could be laid for proper marketing of the products.

47. The Committee then desired to be apprised of the monitoring mechanisms put in place to ensure better and effective implementation of the Schemes/ Programmes. In reply, the Secretary, Ministry of Textiles stated that until and unless there were field visits to take stock of the problems/ constraints faced by the weavers/ artisans, there would not be any real result. Keeping that in mind, she had given instructions to the senior officers in the Ministry to undertake at least two field visits in a month and submit reports upon which requisite corrective action could be taken. The Secretary also, apprised that she herself was reviewing the monitoring on a weekly basis.

(iii) Development of Silk Textiles:

48. Regarding the details of the Development of Silk Textiles, the Committee were informed as under:

"The Government of India has sanctioned "Integrated Scheme for the development of silk industry", with the main objective to increase quality, production and productivity of silk in the country through R&D intervention and generate rural employment through sericulture and silk industry. The main thrust of the scheme is to promote production of import substitute bivoltine silk in the country to reduce our dependency on import of silk from China. The table blow indicates the focus areas, important intervention, its impact and road map for 2016-17.

Sl.No.	Thrust areas	Impact and road map for 2016-17
a	Promotion of import substitute Bivoltine Silk: CSB has established 172 bivoltine sericulture clusters in different states to adopt	Import substitute Bivoltine silk has recorded highest production of 3870 MTs during 2014-15 registering a growth of 51% over previous year (2559 MT). During 2015-16, bivoltine silk production is expected to reach 4500 MTs.

	improved technology packages for promoting bivoltine silk production.	The target set for 2016-17 is production of 5000 MTs of import substitute bivoltine silk. Increase in bivoltine raw silk production in the country has reduced our dependency on Chinese silk import.
b	R&D intervention: 15 mulberry varieties and 25 silkworm breeds have been developed and released to the field. Improved technology packages have been developed to increase quality and productivity	Due to R&D intervention, raw silk yield per hectare has increased to 97 kg silk / Ha / year during 2014-15 compared to 95 kg during 2013-14. It is targeted to increase the productivity to 99 kg raw silk / Ha / Year by the end of 2016-17. This has helped to increase the net income of Farmers / Reelers to make the industry more vibrant and competitive
c	Introduction of high end reeling machine: 20 Automatic Reeling Units have been imported and established in major silk producing states. Indigenous Automatic Reeling Units have been developed to produce international quality silk In Vanya silk sector, 11 improved reeling / twisting / spinning machines have been developed and popularized in the field	15 more Automatic Reeling Units will be established by the end of 2016-17. The ARMs have helped to replace traditional charka and cottage basin, produce quality silk of international standards and reduced renditta (number of kg of cocoons required to produce one kg of silk) from 8 during 2012-13 to 7.34 during 2014-15. It is planned to further reduce the renditta to 6.8 by the end of 2016-17 to make the venture more profitable Popularization of Improved Vanya silk reeling machines in the field have reduced drudgery and improved quality, luster and yield of silk. This will help to promote export of Vanya Silk products as ecofriendly / organic silk. India is the only country producing all varieties of Vanya silks and there are no global competitors for this

		silk.
d	Creating Employment opportunities	Increase in silk production has resulted in improving employment generation from the level of 7.85 million persons during 2013-14 to 8 million persons during 2014-15. It is planned to increase the employment to the tune of 9 million by the end of 2016-17".

(iv) Powerloom Promotion Schemes (Promotion of Organized Textiles Industry under Technology Upgradation Fund Scheme:

49. The Committee were informed that the following schemes were implemented under the Powerloom Promotion Schemes:

Integrated Scheme For Powerloom Sector Development (ISPSD):

In order to enhance the competitive strength of the decentralized powerloom sector, the Ministry of Textiles launched an Integrated Scheme for Powerloom Sector Development (ISPSD) having various components as given below:

- Technical Service Support: Powerloom Service Centres (PSCs) provide need based services like training, trouble shooting, design development, consultancy and testing through 47 PSCs.
- Buyer Seller Meet (BSM): BSM is aimed at providing a platform for powerloom weavers to market their products at cluster level, regional level, national and international level. The amount of assistance is Rs.15 lakh when organized in Class A cities, Rs.10 lakh in Class B cities and Rs.5 lakh in Class C cities for 5 days or actual expenditure, whichever is lower.

- **Exposure Visits:** These visits are aimed at creating knowledge about higher technology prevalent in technologically developed powerloom clusters and producing diversified textile products or value added fabrics. Under the scheme, financial assistance @ Rs.2000 towards incidental expenses and to & fro train fare for each weaver is provided by Govt. of India.
- **Awareness Programmes:** To create awareness about the latest product, design, latest trend in market and the Government schemes, seminars/sensitization workshops are conducted at various powerloom clusters through Regional Offices of Textile Commissioner in association with PDEXCIL.
- **Common Facility Centres (CFCs):** Under this component Govt. of India provide infrastructure support to the Powerloom Weavers associated in a group and willing to set up Common Facility Centre. GOI Share for CFC is Rs. 200 lakh per cluster.
- **Corpus for Yarn Bank:** Small weavers do not have enough resources to purchase yarn in bulk quantity from the open market and depend on local yarn dealers. The local dealers sell the yarn at higher price than the mill price and take undue advantage of market situation. In order to mitigate this problem interest free corpus fund has been approved by the Govt. of India maximum of Rs. 100 lakh per yarn bank.
- **Pilot Scheme of Tex-Venture Capital Fund:** TEX Fund is a dedicated fund with a corpus of Rs.35 crore for investing primarily in companies engaged in manufacturing and services activities in the powerloom industry. Government of India will provide Rs. 24.50 crore and Rs.10.50 crore by SIDBI for Tex Venture Capital Fund."

In-situ Upgradation of Plain Powerlooms Scheme:

"The aim of the scheme is to upgrade the plain powerloom to semi-automatic looms by attaching additional attachments. Financial assistance of Rs.15,000/- per loom subject to maximum of 8 looms per weaver is admissible under the scheme. In-situ upgradation of plain powerloom has been approved for twenty one clusters including Solapur (Maharashtra). During 2015-16, against a target of 34000 looms, 44797 looms have been up-graded and sum of Rs. 34.18 crores have been spent against Rs. 36.55 crores allotted.

Group Workshed Scheme (GWS): The scheme is to facilitate construction of Work-sheds for installation of shuttleless looms in an existing or new cluster, which will provide required scale of economy for the powerloom weavers/ entrepreneurs. Subsidy of Rs. 300/- per sq.ft is provided for construction of the sheds. The eligible area under the Group Work-shed Scheme would be restricted to maximum 400 sq. ft. per loom. Group will consist of at least 4 weavers/entrepreneurs having separate legal entity. During 2015-16, against a target of 8 group work-sheds, 27 work-sheds have been sanctioned and the entire allocation of Rs. 20.07 crores has been spent.

Group Insurance Scheme for the Powerloom workers (GIS): Under this scheme Govt. of India contribution is Rs.290/-, Weaver's/Worker's contribution is Rs.80/- and contribution from Social Security Fund is Rs.100/-. Benefits: Natural Death - Rs.60,000/-, Accidental death/ Permanent disability due to accident - Rs.1,50,000/-, Permanent partial disability - Rs.75,000/- and Educational grant for 2 children *i.e.* per child assistance is Rs.1200/year. During 2015-16, against a target of 1.35 lakh persons 91000 workers have been covered and the entire allocation of Rs. 6.62 crores has been spent."

50. On the issue of upgradation of the powerloom sector, the Secretary, Ministry of Textiles submitted in evidence that around 60 percent fabric came from the powerloom sector, but the weavers were having obsolete powerloom technology for which the Ministry were making efforts to upgrade the technology through facilitating bank loans and extending other supports to the weavers so as to ensure increase in productivity and quality of the fabrics.

(v) Development of woolen Textiles:

51. As regards the Development of woolen Textiles Scheme, the Committee were apprised that under the Scheme, the Ministry of Textiles were implementing Pashmina Promotion Programme (P-3) in Ladakh region as per the announcement of the Prime Minister. The Ministry elaborated as under:

"For further improving quality and quantity of Pashmina wool as well as living standard of poor Nomads (wool growers) of Ladakh region, Ministry of Textiles is providing financial assistance under different components like Creation of Common Pashmina Facilitation Centre for Wool testing, Disease Surveillance Centre, Geographic Information System (GIS) Lab, Shelter for Nomads, distribution of portable Electric Units for Handloom Spinning/Weaving, Solarised Community Centres, development of Fodder grounds for grazing of Pashmina goats, Distribution for Foundation Stock (male & female goats) to farmers and construction of Shelter for Housing of Pashmina animals. Under Pashmina Promotion Programme, major provision has been made for establishment of latest technology Pashmina Dehairing Plant at Leh with other machineries for Scouring, Drying, and boiler along with construction of building for installation of these machineries at Leh."

(vi) Textile Infrastructure and Mega Clusters:

52. Regarding the Textile infrastructure and Mega cluster Scheme, the Committee were apprised as under:

"Scheme for Integrated Textile Park (SITP) addresses infrastructure constraints of textile industry on cluster basis and facilitates green field investments in the textile sector. The Scheme is implemented in public-private mode where Government of India provides 40% of the project cost subject to a ceiling of Rs. 40 crores to a textile park towards common infrastructure and common facility. SITP gives flexibility to the Industry to design develops and run the textile

parks as per their requirements. The scheme has played an important role in providing an organized set up to the textile industry which is crucial for achieving scales of operations. Currently 72 parks are at different stages of implementation across the country. These textile parks are supposed to generate employment for 4.90 lakh persons and bring additional investment of Rs. 26000 crore in the textile sector once fully operational."

"Integrated Processing Development Scheme (IPDS) intends to help the textile processing industry to upgrade its technology to meet environmental standards as prescribed by the regulatory authorities. Under IPDS the central Government provides 50 % of the project cost to the processing Industry to set up Common Effluent Treatment Plants with appropriate effluent Treatment Technology. The schemes together help the industry to increase efficiency and productivity without causing any harm to the environment

Comprehensive Powerloom Cluster (Megaccluster) Development Scheme:

53. As regards poor achievements in the Powerloom mega cluster Scheme, the Ministry stated as under:

"Under the Powerloom Mega Cluster Scheme(Subsidy is provided upto Rs.50 crores per mega cluster), funds were also not utilized on account of non-availability of land, slow progress by SPVs and lack of response from stake holders. Release of funds is mainly dependent on completion of certain stages of the project as per the guidelines of the scheme. During the year 2015-16, Rs 4.11 crore has been incurred for Powerloom Mega Clusters. Reasons for low off-take under the scheme are:-

- Non availability of land at Bhiwandi and Bhilwara.
- Resource Constraints of the stake holders (Powerloom units in the organized sector with low credit worthiness)"

Cluster-wise Status is as under:

Bhiwandi: Due to non-availability of land and lack of willingness among the stakeholders, the development of Powerloom Mega cluster at Bhiwandi could not take-off. On the recommendation of the State Government of Maharashtra, the change of location from Bhiwandi to Solapur has been finalized by the Govt. of India. It is expected that the project will be started in 2016-17 and progress in the subsequent years.

Bhilwara: Due to non-availability of land in Bhilwara, the State Govt. identified land for this project in Soniyana. On account of non receipt of clearance from the State Govt. and water problems the project could not started. Given the conditions, the State Govt. has suggested Karanpura in Bhilwara as an alternate location for setting up of this project which is likely to be started from 2016-17 and in subsequent years.

Ichalkaranji: Agreement signed between SPV and Ministry of Textiles, the project has been taken-off. Under the scheme a Warping & Sizing Unit, Chemical Processing Unit & Marketing Centre will be developed. Pursuant to it, 1st Part of the 1st Installment amounting to Rs.4.11 crore has been released to SPV in February, 2016.

Erode: This project consists of two components i.e. Market complex and Dormitory & Warehouse. Market Complex is near completion and thereafter, works in Dormitory & Warehouse will be started. Till date, Rs.37,02,03,600/- has been released.

Surat: The selection of Cluster Management and Technical Agency is under process."

(vii) R&D and Institutional Development:

54. When the Committee desired to know the performance of the Ministry in R&D and Institutional Development Programmes, the Ministry submitted as under:

"The revised R&D scheme has been launched by Ministry of Textiles for the period of five years from 2014-15 to 2018-19, the guidelines for implementation of the scheme was finalized only in the end of August 2015. The allocation of funds of Rs.40 crore was

thereafter made only during the current year 2015-16. Under R&D scheme, proposals are invited from all eligible agencies through advertisements. The scheme is at initial stage.

Although, the response of the research institutions have been forthcoming, it is less than expectations. Efforts are being made to get proposals through advertisements. It is also proposed that projects for R&D in Machineries be also included in the scheme. Moreover, under IMPRINT programme, R&D for clean effluent have been included and the proposals in this regard are expected during FY 2016-17. Due to our consistent efforts the expenditure have picked up and it is expected that an expenditure of Rs. 15 crore would be incurred during this F.Y. It is expected that in the coming years the expenditure would increase substantially."

(viii) Development of Jute Textiles:

55. The Committee desired to be apprised of the specific measures taken/proposed by the Ministry for promotion, development and export of jute and jute products. In response, the Secretary, Ministry of Textiles submitted in evidence that jute sector was a significant part of the Textile Sector and around 3.7 lakh workers were being engaged in jute sector besides 40 lakh families earning their livelihood through this Sector. The Secretary further apprised that there had been approximately 70 percent growth in the export of jute and jute products besides noticeable increase in the export of diversified jute products. The Secretary, Ministry of Textiles elaborated that the Ministry was focusing on new and diversified jute products for which five Centres were being planned to be opened out of which three Centres had already become functional and the remaining two Centres would be opened shortly. The Secretary exceeded confidence that by imparting training and marketing skills in these centres, there would be marked improvement in the jute sector in future.

56. The Committee retorted that while the Textiles Secretary was confident of improved performance in the Jute sector, in reality most of the Jute mills were not operating throughout the year and to their full capacity and most of the workers in Jute mills were not getting their statutory dues, even after retirement. In that context, the Committee asked about the Ministry's intervention in the matter. In reply, the Secretary, Ministry of Textiles submitted as under:

"Sir, you have raised some very important concerns and I would like to assure you that the concerns which have raised about the weavers and artisans are duly shared by the Ministry of Textiles also. We are also very concerned to bring about a change in their lives, their economic up liftment and a number of initiatives and schemes are being taken up by us."

(ix) Technology upgradation Fund Scheme (TUFS):

57. The Technology Upgradation Fund Scheme (TUFS) was introduced in 1999 to catalyse capital investments for technology upgradation and modernisation of the textiles industry by providing specified interest reimbursement and capital subsidy for investment in upgradation of machinery. It is a credit linked scheme implemented through the notified lending agencies by reimbursement of subsidy claims of eligible investments. The Scheme was initially approved in April, 1999 to 31st March, 2004 and subsequently extended in 2004 up to 2007. In 2007 the Scheme was further extended with modifications such as additional capital subsidy (CS) of 10% for the segments of Technical Textiles and Garments and is referred as Modified TUFS (MTUFS). The Scheme was restructured and the Restructured TUFS (R-TUFS) was launched with effect from 28.4.2011 to 31.03.2012 with an overall subsidy cap of Rs.1,972 crore (upto 31.3.2012), with sectoral investment cap of 26% for spinning, 13% for weaving, 21% for processing, 8% for garmenting and

31% for 'others', Under R-TUFS the subsidy was 5% interest reimbursement in general, except for 'spinning' sector for which the interest reimbursement was @4%. For brand new shuttleless looms, 10% Capital subsidy was extended in addition to 5% IR. The Scheme was continued for the 12th Plan (2012-17) as Revised Restructured TUFS (RR-TUFS) with a budgetary allocation of Rs.11,952.80 crore. The major focus of the scheme under 12th Plan is weaving/powerloom sector.

58. With a view to supporting the 'Make-in-India' initiative the Union Government has launched the 'Amended Technology Upgradation Fund Scheme (ATUFS) *w.e.f* 13th January, 2016 in place of the existing Revised Restructured Technology Fund Scheme (RRTUFS) for technology upgradation of the textiles industry with one time capital subsidy for eligible machinery.

59. Asked to state the progress made in the implementation of A-TUFS, the Ministry submitted as under:

"The present RRTUFS Scheme has been reviewed and the Amended Technology Upgradation Fund Scheme (ATUFS) has been approved for implementation from 2015-16 to 31st March 2022. Under the Scheme, only one time capital subsidy will be provided at the specified rates for the specified eligible segments. The Budget allocation approved by the CCEA for ATUFS is Rs. 17,822 crore which includes Rs. 12671 crore for committed liabilities and Rs. 5151 crore for new cases under ATUFS. The focus of ATUFS is on value addition and employment generation in garmenting, technical textiles, weaving and processing segments. The scheme is expected to attract an investment of Rs.1.00 lakh crore and employment generation of about 30 lakhs."

60. The Ministry has issued Resolution implementing the ATUFS on 13th January 2016. The detailed guidelines of this scheme have also been issued on 29th February, 2016. Based on the implementation mechanism

indicated in the guidelines dated 29th February, 2016 the lists of eligible machineries under ATUFS are being finalized by the Technical Advisory-cum-Monitoring Committee (TAMC) which will be notified very shortly by the Textile Commissioner. The ATUFS software is also under preparation which will be placed on the central server of the Govt. for use of all stakeholders.

61. In evidence, when the Committee desired to hear from the Secretary, Ministry of Textiles on the progress made in the implementation of A-TUFS, she submitted that TUFS was one of the most important schemes through which the Ministry were making efforts to increase investments in the Textiles sector by giving capital subsidy. The Secretary further apprised that in comparison to other industrial sectors, textile sector could generate maximum employment with minimum investment and through TUFS, the Ministry were aiming to generate maximum employment, especially for women.

62. The Committee desired to be apprised of the specific improvements brought in the ATUFS. In reply, the Secretary, Ministry of Textiles stated that the focus had been shifted from spinning to weaving, apparel making and technical textiles with the aim to attract more and more investments through maximum subsidy *viz* 15 percent with a cap of Rs.30 crore.

63. Asked to state the preparedness of the Ministry for the financial year 2016-17 in order to achieve the objectives of ATUFS, the Secretary, Ministry of Textiles deposed that the Ministry had already planned the schemes and they were fully prepared to implement ATUFS. But citing the constraints, the Secretary submitted that the Ministry's proposed allocations for ATUFS had been substantially reduced by the Finance Ministry. She elaborated that an earlier amount of more than Rs.12,000

crore claim of the industry was also pending. The Secretary, Ministry of Textiles requested the Committee to look into the constraints of the Ministry so that at least Rs.4,500 crore more was allocated to the Textiles Ministry for the 2016-17 fiscal. The Secretary, Ministry of Textiles emphasized that if the Ministry got the required amount, they would be able to generate large scale employment and bring in the much needed vibrancy in the textile sector, thereby fulfilling the expectations of the Prime Minister.

(x). Development of Textiles in North-Eastern Region

64. A scrutiny of the documents furnished to the Committee revealed that the BE 2012-13, 2013-14, 2014-15 and 2015-16 for North Eastern Region provided an amount of Rs.700 crore, Rs.455.10 crore, Rs.483.10 crore and Rs.257 crore respectively which was correspondingly reduced to Rs.450 crore, Rs.390 crore Rs.350 crore and Rs.257 Crore (status quo) at the RE stage. The Actual Expenditure during these years has been Rs.184.65 crore, Rs.232.71 core, Rs.241.03 crore and Rs.156.31 crore (as on 5th February 2016) respectively. During the year 2016-17, the approved Plan Outlay is Rs.255.98 crore for the North Eastern Region.

65. In the above context, the Committee enquired about the persisting shortfalls in the Budgetary Allocations for the North Eastern Region and the specific constraints/ Impediments in optimal utilisation of funds which were meant for the development of textiles in the North Eastern Region. In reply, the Ministry submitted as under:

"The scheme was approved in November 2013 with a plan outlay of Rs.1,038 cr. Project initiation activities like appointment of Project

Management & Technical Constantans through RFP process, meeting with the State Governments, identification of key areas etc took time and attributed to short fall in expenditure in 2013-14. The Scheme however, picked up subsequently. During last three years 45 projects have been sanctioned with total commitment for GOI grant of Rs.1,043.48 cr. Expenditure has also picked up in last two years. The Performance of the scheme in last two years is given as under

(in Rs. Cr)

FY	BE	RE	Expenditure	%
2014-15	157	157	120.69	76.87
2015-16	157	225.5	245*	110%**

- Expected by 31 March through Re-appropriation of funds

** Proposal for Rs 15 cr could not be processed due to shortage of funds

Therefore, the project may require adequate budget for implementation in coming years."

66. As regards the constraints/ impediments, the Ministry apprised as under:

"Lack of adequate data is the biggest impediment in speedy implementation of the projects. To address this issue the Ministry has proposed to set up a dedicated Project Management Unit at Guwahati comprising experts from various sub sectors of Textile Industry. The PMU will collect block level data in respect of all the schemes being implemented by the Ministry of Textiles in NER and provide a common platform to all stakeholders for convergence across various schemes."

67. When the Committee desired to know the concrete plan of action on the part of the Ministry for maximum utilisation of funds and achievement of physical targets in the North-Eastern Region, the Ministry submitted as under:

"A total of 45 projects with total commitment for GOI grant of Rs 1043.48 cr have been sanctioned. To achieve the targets projects are monitored on regular basis. NERTPS has institutional

mechanism for review of progress of the projects through Project Monitoring and Approval Committee(PAMC) which is an inter-ministerial Committee headed by Secretary Textiles with members from all NER States, NITI Ayog, D/Expenditure, DC Handloom, Handicrafts and all implementing agencies."

68. Asked to state the specific attention being paid towards Textiles promotion schemes including Agro Textiles and Geo-Textiles in North Eastern Region, the Ministry apprised as under:

"(i) Scheme for Promoting Usage Agro Textiles in North East Region:

(i) Establishment of Demonstration Centres

Target: 24-32 Nos.

Status:

(i) So far a total of 44 Demonstration centres have been approved with a total cost of Rs. 8.17 Crore. The details of state-wise Democentres approved are given below:

S. No	State	Number of Demo Centres approved
1.	Meghalaya	6
2.	Manipur	4
3.	Tripura	5
4.	Assam	4
5.	Sikkim	7
6.	Nagaland	5
7.	Mizoram	7
8.	Arunachal Pradesh	6
Total		44

(ii) Out of 44 Demo centres, 23 Demo centres have become operational. For remaining 21 demo centres tendering process is underway.

(ii) Distribution of Agrotextiles kits: Target: 700 Nos.

Status: So far 531 Agrotextiles kits approved for distribution in Manipur & Mizoram, in which 236 Agrotextiles Kits are under distribution. Further training to farmers is being carried out in other Demo centres also.

II. Scheme for Promoting Usage Geotechnical textiles in North East Region Scheme

Sl. No	Components	Target	Status (Approved till date)
	Application of geotechnical textiles in Roads	300 km	11 project
	Application of geotechnical textiles in Hill Protection/slopes	118 km	1 project
	Application of geotechnical textiles in Water Reservoirs	217 Nos.	13 projects

The Scheme is being monitored regularly, including through video conference, visits and by the Centre of Excellence."

69. In evidence, highlighting the special focus made on the development of handloom and handicrafts in the North-Eastern Region, the Secretary, Ministry of Textiles deposed that out of the eight apparel units that were approved last year to be established in the North-Eastern States and Sikkim, seven units had already been set up and the entrepreneurs had been selected to manage such units. The Secretary further apprised that the eighth centre in Sikkim would be established within one/ two months. She also apprised that the Ministry had devised and were implementing many schemes for the development of silk and sericulture in the North-Eastern States which would leverage the economic condition in the area.

VI. NATIONAL TEXTILES CORPORATION LTD.(NTC)

70. With the NTC's networth turning positive, the Company has ceased to be a sick industrial company. As on 30th June, 2015 the networth of the Company stood at Rs.1,219.80 crore. The Company has plans to transform itself into an integrated textile company with spinning, weaving, processing, garmenting, besides diversifying into technical textiles.

71. In order to upgrade the technology in the operating mills, with the association of Northern India Textile Research Association (NITRA), NTC has formulated modernisation, expansion and diversification plans, to make the Company more competitive. First phase of the plan with capital investment of Rs.1064 crores has already been approved by the Board of NTC.

72. NTC is presently focusing effectively on branding and retailing of its fabrics through Retail Marketing Division, increase its volume of institutional sales in the coming days and on Technical Textiles, an area where there is a tremendous scope for the Company to improve its turnover and profitability.

73. During the last five and half years, NTC produced more than 2400 lakh kgs of yarn and around 760 lakh meters of fabric. As on 31st December, 2015, the mill wise status of the company was as under:

- (i) 119 mills nationalised under the Acts and 1 new composite mill at Hassan,
- (ii) 78 mills have been closed (including 2 mills namely Finlay and New Minerva relocated),
- (iii) 18 mills have been modernised and 3 newly established,
- (iv) 2 mills taken out of JV list have been partially modernised,

- (v) 1 mill is slated to be set up as Technical Textile Unit in Rajasthan,
- (vi) 2 mills transferred to Government of Puducherry,
- (vii) 16 units slated for revival through JV route, 5 units have been revived and remaining 11 units where MOU for JV was signed were cancelled on review. Matter in case of these 11 mills is subjudice before Court/Arbitral Tribunal.

74. In evidence, the Committee desired to be apprised of the performance of the Company in the production of yarn and fabric during the year 2015-16. In reply, the CMD, NTC submitted that during 2015-16, the production in yarn and fabrics was 560 lakh kg and 201 lakh meters respectively, showing an increase in the productions *vis-a-vis* 2014-15 when the corresponding production figure was 518 lakh kg and 171 lakh meters.

75. In response to a specific query regarding the proposal to shift NTC mills located at Mumbai to some other places in Maharashtra, the CMD, NTC apprised the Committee that three full fledged mills were functioning in the heart of Mumbai and as per the efficiency parameters, the capacity utilisation of these mills was 98 percent. But to make them operationally profitable was a difficult task for some reasons for which there was a proposal to shift the mills to somewhere else in Maharashtra.

76. Supplementing her colleague, the Secretary, Ministry of Textiles submitted that the wage rate and pollution level requirement in Mumbai were on a very higher side, though there had been marked improvement in the efficiency level of these mills after revival. The Secretary further

submitted that as the mills were yet to become fully viable and self sustainable, the Ministry were making a study and find out ways to make the mills viable and profitable.

77. Expressing their surprise, the Committed asked whether it was not imprudent to suggest the shifting of mills from Mumbai, the hub of textile market, more so when the mills after revival were exhibiting commendable performance. In reply, the Secretary, Ministry of Textiles deposed as under:

"...There is great demand for the products of NTC. They are doing well. As I said, as he also said, at one point, this was under consideration. But no decision has been taken. Obviously everything will be looked into before any decision is taken. They have a Board. The NTC Board will finally be taking a view on these issues and looking at the interest of the company, the decision will be taken regarding NTC mills being run in Mumbai and also about the land which is involved in the NTC mills. So, there is no such decision. Once upon a time, it was considered, but there is no decision on it and the Board is looking into these matters. When the time comes, a decision will be taken."

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PART-II
OBSERVATIONS/ RECOMMENDATIONS

1. The Committee are deeply anguished to note the abysmally low cumulative utilisation of funds by the Ministry of Textiles during the last four years, especially the first two years of the XII Plan period. To illustrate, against the Ministry's proposed outlay was Rs.40,203.19 crore for the XII Plan the approved outlay of Rs.25,931 crore and the final allocation was Rs.15,215.37 crore at the RE stages. Even after such drastic reductions in the Plan outlay, the Ministry have not been able to fully utilise the reduced allocations as is corroborated from the fact that the cumulative expenditure from 2012-13 to 2015-16 (as on 19th March, 2016) was Rs.12,933.80 crore. Needless to mention that it is most unlikely that the Ministry would be able to utilise the remaining amount of around Rs.2,200 crore in the last 12 days of the 2015-16 fiscal. The Ministry's explanation that the cumulative expenditure percentage during the first four years of the XII Plan period has been 85 percent *vis-a-vis* the RE allocations does not hold good in view of the disconnect observed in the Ministry's Plan proposals, the approved outlay and finally the expenditure incurred. Equally unconvincing is the reasoning that the low utilisation of funds during the initial years of the Plan period was due to the erstwhile system of getting clearance from the Department of Expenditure for expenditure beyond a certain amount on Plan Schemes. The fact of the matter is that the main reasons for shortfalls in the utilization of Plan outlay have been non-receipt of viable proposals, delay in receipt of utilisation certificates, procedural delays etc., as also admitted by the Ministry. The

Committee in their earlier Reports, have time and again impressed upon the Ministry to resort to effective measures to overcome these recurrent impediments which adversely impacting the utilisation of funds. The Committee are, therefore, of the firm view that it is high time the Ministry ironed out the deficiencies / anomalies and embarked upon the concrete measures so as to ensure optimal utilisation of the Plan outlays in the coming years.

2. The Committee note that the BE 2015-16 for plan expenditure was Rs.3,523.31 crore which was reduced to Rs.3,315.31 crore at the RE stage and the final allocation was Rs.3,208 crore. The Plan expenditure as on 28th March, 2016 has been Rs.2976 crore (89.6 percent) and the Ministry were expecting to cross 96 percent expenditure by 31st March, 2016. In this context, the Committee find that the likely surrender of funds in the Plan expenditure would be to the tune of Rs.252.74 crore and most of the savings are anticipated under the Scheduled Caste Sub Plan (SCSP) and Tribal Sub Plan (TSP) components as very few proposals/ applications have been received under these components of the Plan Scheme. The Ministry are reportedly taking specific steps to design interventions in Handicrafts, Sericulture and Powerloom sectors in order to increase expenditure under the SCSP and TSP components. While expressing their serious concern over the likely savings under important components like SCSP and TSP, the Committee would like the Ministry to firmly intervene in the matter and intensify their efforts for ensuring increased take off of the Schemes intended for the benefit and upliftment of SCs and STs leading to maximum utilisation of Plan outlays.

3. One disquieting aspect that has consistently engaged the attention of the Committee is the uneven pattern of expenditure by the Ministry, despite the Ministry of Finance's clear cut guidelines/ instructions not to exceed the ceiling of 33 percent expenditure in the last quarter and 15 percent in the month of March every financial year. The Ministry have submitted that the necessity for obtaining relaxation from the Finance Ministry to exceed the prescribed ceilings arises only when the compliance from the beneficiaries and Special Purpose Vehicles (SPVs) is received late. In view of the fact that uneven and disjointed pattern of expenditure hampers the planned implementation of the Schemes envisaged besides violating the fiscal discipline imposed by the Finance Ministry, the Committee impress upon the Ministry of Textiles to take corrective and coordinated measures for timely receipt of compliance from the beneficiaries and SPVs which would certainly put the Ministry on a strong footing.

4. The Committee note that against the Ministry's proposed outlay of Rs.3829.53 crore during the year 2016-17, the Ministry of Finance have approved Rs.3,500 crore only. In the last minute Rs.150 crore more has been reduced in the 2016-17 BE, finally making the allocations at Rs.3,350 crore. The Financial Advisor, Ministry of Textiles has deposed that such cut is a unilateral move and holistic exercise done by the Department of Expenditure and the Ministry of Textiles have a little role to play in it. The Financial Advisor has further reasoned that a similar fate is seen in other Ministries also because the overall holistic priority of the Government takes precedence over everything else. The Committee are inclined to reject the argument adduced by the Financial

Advisor that it is just a unilateral move on the part of the Ministry of Finance and that the Ministry of Textiles have no role to play. In fact, it is the trend of expenditure and utilisation of funds over the years by the Ministry of Textiles that might have been taken into consideration by the Finance Ministry while imposing a cut in the 2016-17 Budget proposals of the Textiles Ministry. Therefore, instead of drawing solace from similar fate being meted out to other Ministries too, the Ministry of Textiles, having tremendous potential for additional employment generation, should seriously endeavour in improving their own performance in the utilisation of Plan Outlays so as to stop recurrence of repeated reductions in their Budgetary proposals in future.

5. The Committee note the statement of the Secretary, Ministry of Textiles that the Ministry's efforts have gained significant momentum and action has already been initiated to ensure 100 percent utilisation of Plan outlay during 2016-17. Her assertion that with little efforts maximum employment could be generated if the Ministry get the right allocations also merits attention. The Committee believe that the statement of intent will be translated into concrete action and positive outcome during the 2016-17 fiscal. Keeping that in mind and also in view of the fact that original plannings may go haywire due to sudden and sizeable reductions in the budgetary allocations, the Committee recommend that the Textiles Secretary should take up the matter at the appropriate fora so that at least the original BE proposal of the Ministry is restored and the intended objectives/ projections for 2016-17 are achieved.

6. The Committee deprecate to note that during 2015-16, the Ministry have been unable to achieve the physical targets in a number of Schemes like National Handloom Development Programme, Handloom Weavers Comprehensive Welfare Scheme, Research & Development Programme, Ambedkar Hastshilp Vikas Yojna, Powerloom Group Insurance and Scheme etc. Non-receipt of adequate and viable proposals, receipt of less claims from the beneficiaries, non-completion of the Appraisal/ Approval processes, non-earmarking of funds for the SC Sub-Plan, severe winter condition in Leh/Ladakh etc. have been cited as the primary reasons for non-achievement of targets in the aforementioned Schemes. With a view to overcoming the impediments, the Ministry are reportedly focusing on effective implementation of the Plan Schemes through weekly review, periodical/ regular interaction with the stakeholders, empirical feedbacks from the States and field Units, changes in Guidelines etc. The Committee are of the considered opinion that while severe climatic conditions or difficult topography can be considered as genuine setbacks in the smooth implementation of the Schemes, reasons like non-receipt of adequate and viable proposals, non-completion of Appraisal/Approval process and non-provision of funds for SCSP can no way be condoned as they are a sad commentary on the Ministry's requisite advance planning. The Committee, therefore, call upon the Ministry to singularly focus on removing the chronic malaise that have been impeding the implementation of the Plan Schemes, besides continuing with the measures already initiated, so that the import of the Plan Schemes in furthering the growth of the Textile Sector in general and its potential for additional employment generation and increased exports in particular, is duly taken care of.

7. The Committee are dissatisfied to note that for some schemes no target has been fixed and for some other Schemes achievement has been stated to be 'not quantifiable', as is revealed from the documents furnished. The Ministry have explained that setting of yearwise targets is a continuous process and is based on financial provisions. The Committee are of the view that leaving the respective columns blank, without reasonings, or saying some achievements are not quantifiable reflect lack of due diligence on the part of the Ministry. The Committee would, therefore, like to caution the Ministry to guard against such inaccuracies so as to maintain the sanctity of the documents placed before Parliament and its organs.

8. The Committee note that under the National Handloom Development Programme, cooperative societies, handloom agencies and individual weavers are given a marketing platform, through exhibition-cum-sale events, to sell their products in domestic and international markets. The Committee are, however, concerned to observe that against a target of 400 domestic events during 2015-16, 339 events could be organised though the nine targetted international events could be successfully organised. The reasons for shortfall in domestic events are attributed to poor past performance and inadequate results from some exhibitions. As the events are a solid platform for the weavers to directly showcase and market their products both inside and outside the Country, the Committee desire the Ministry to take requisite corrective measures so that the targetted 350 domestic and 22 international events during 2016-17 are achieved and the weavers benefitted.

9. The Committee are pleased to note that the India Handloom Brand (IHB) which was launched on the occasion of the first National Handloom Day on 7th August, 2015 aims at generating a special market space and increased earnings to the weavers and exclusively catering to the quality need of the socio-environmentally conscious consumers. The Committee would like the Ministry to have a special focus on the IHB scheme to endorse the quality of products in terms of raw material, processing, weaving etc. so that the exclusive needs of the consumers looking for niche in handmade products are catered to and the primary objective of benefitting the weavers is achieved.

10. The Committee appreciate to note that the weavers MUDRA Scheme under the Pradhan Mantri MUDRA Yojna (PMMY), for extending loans upto Rs.5 Lakh to the Handloom Weavers and Weavers' Entrepreneurs with interest subsidy margin money and credit guarantee has been formulated in association with the Punjab National Bank and IDBI. So far, a total of 484 loans worth Rs.2.61 crore have been sanctioned under the Scheme. While encouraging the Ministry to extend the intended financial assistance to more weavers and their Entrepreneurs under the weavers MUDRA Scheme, the Committee would, however, desire the Ministry to remain vigilant and strengthen their coordination mechanism with the Banks so as to ensure that the much needed financial assistance with the concessional credit components are actually availed by the weavers.

11. The Committee note that the Mahatma Gandhi Bunkar Bima Yojna (MGBBY) is under convergence with the Pradhan Mantri Jeevan

Jyoti Bima Yojna (PMJJBY) and from 2016-17 onwards with lesser amount of premium contribution i.e. Rs.80 per annum by the weavers and Rs.250 by the Ministry, the weavers will be getting better life coverage, both in the case of natural death and accidental death, which will be upto Rs.2 lakh. The merged Scheme will be implemented by the Ministry of Finance (Department of Financial Services). The Committee apprehend that, as also corroborated by the Secretary, Ministry of Textiles, things would not automatically fall in line with convergence of the MGBBY with the PMJJBY unless there are proactive interventions and strict monitoring on the part of the Ministry of Textiles, in view of the abysmally low enrollment of weavers so far. The Committee, therefore, recommend that instead of leaving things at the mercy of Banks/ Financial Institutions, the Ministry should strictly that too at regular intervals monitor the progress, as assured by the Secretary, so that the purpose of convergence of the MGBBY with PMJJBY is truly achieved.

12. The Committee are concerned to note that due to less awareness and lack of interest, the enrollment of weavers for life insurance schemes is very low. In this context, the Committee find that the data on the number of weavers in handloom as well as powerloom sectors and the artisans in the handicraft sector is almost ready and will soon be put up on the Ministry's web portal. The Committee urge the Ministry to compile the data and expeditiously put them on the web portal subsequent to which concerted efforts could be made to generate awareness and motivate the identified weavers and artisans to opt for the insurance schemes in their own interest.

13. The Committee note that the Textiles Ministry's Health Insurance Scheme was merged with the Labour Ministry's Rastriya Swasthya Bima Yojna (RSBY) which has subsequently been transferred to the Ministry of Health & Family Welfare *w.e.f* 1st April, 2015. A restructured RSBY which is being formulated by the Health Ministry will be implemented *w.e.f* 1st April, 2017. In this context, the Committee find that the Ministry of Textiles, after a series of discussions and deliberations, have written a letter on 23rd February, 2016 to the Health Ministry for coverage of Handloom Weavers in RSBY for the year 2016-17 in the existing pattern of the Scheme. As the restructured scheme will be implemented from 2017-18 onwards by the Health Ministry, the Committee desire that the Ministry of Textiles, in accordance with their communication to the Health Ministry, should earnestly pursue the matter to get the weavers covered under the existing pattern of the RSBY during 2016-17. The Committee would like to be apprised of the position as soon as the response of the Health Ministry is obtained by the Ministry of Textiles. As assured by the Secretary, Ministry of Textiles, the Committee desire the Ministry to tie up with the Labour Ministry and explore the feasibility of empanelling the ESI Hospitals for provision of healthcare facilities to the weavers and artisans covered under Health Insurance Schemes.

14. The Committee are pleased to note that a Trade Facilitation Centre and Crafts Museum at Varanasi is proposed to be set up at a cost of Rs.281 crore, to be completed by August, 2017 with a view to developing and promoting the rich tradition of handloom products at Varanasi. The Committee desire that the possibility of setting up of similar Centres and Museums at other places in the Country, where

there is rich tradition of handloom and handicraft products, be explored so that weavers or artisans residing in other parts of the Country are also benefitted.

15. The Committee note that the various Handicraft Schemes have been subsumed into one umbrella scheme namely the National Handicraft Development Programme to emphasize an integrated approach for development of handicrafts in a holistic manner. As regards monitoring mechanism put in place to ensure better and effective implementation of various Handicraft Schemes/ Programmes, the Committee appreciate to note that the Textiles Secretary has instructed the senior Officers in the Ministry to undertake at least two field visits in a month to take stock of the situation, besides herself reviewing the position on a weekly basis. The Committee too are of the view that unless and until field visits are carried out to gauge the problems/ constraints of the artisans, the Schemes intended for their benefit would not yield the desired result. The Committee, therefore, exhort the Ministry to carry on with their regular field visits besides strengthening other aspects of the monitoring mechanism.

16. The Committee are pleased to note that the Ministry are focusing to put in place an integrated marketing plan through which Handloom, Handicraft, Technical Textiles, Jute and other products would be showcased and sold at one place. Besides planning to establish marketing intelligence to explore new markets, products countries etc., the Ministry are also laying emphasis on selling the handicraft products through e-commerce and e-platform. In view of the fact that proper marketing of handicraft/ handloom products has

always remained a weak link, the Committee commend the innovative measures devised but at the same time urge the Ministry to ensure that the marketing plannings are drawn to their logical conclusion and the artisans/ weavers are immensely benefitted in the process.

17. The Committee appreciate to note that the Ministry are embarking upon a number of measures under the 'Integrated Scheme for Development of Silk Industry' with the main objective to increase quality, production and productivity of silk in the Country through R&D intervention. Such measures include establishment of 172 biovltine sericulture clusters in different States, development of 15 mulberry varieties and 25 silkworm breeds, introduction of high end automatic reeling machines etc. The Committee would like the Ministry to persist with the measures initiated for the development of silk textiles so as to reduce the dependency on importing silk besides meeting the cumulative target of nine million rural employment generation through sericulture and silk industry by the end of 2016-17.

18. The Committee also appreciate to note that under the 'Development of Woolen Textiles Scheme', the Ministry are implementing Pashmina Promotion Programme in Ladakh region through financial assistance under different components, the primary being establishment of latest technology Pashmina Dehairing Plant at Leh. The Committee desire the Ministry to accord serious attention towards implementation of the Scheme within the prescribed timeframe so that the quality and quantity of Pashmina

wool are improved and the living standard of the poor Nomads (wool growers) of Ladakh region is leveraged.

19. The Committee observe that in order to enhance the competitive strength of the decentralised Powerloom sector, the Ministry have launched an Integrated Scheme for Powerloom Sector Development (ISPSD) through technical service support, buyer-seller meet, exposure visits, awareness programmes etc. However, what concerns the Committee is the obsolete powerloom technology that the weavers are having, though around 60 per cent fabric comes from the powerloom sector. The Ministry are reportedly making efforts to upgrade the technology through provision of bank loans and other supports to the weavers. As obsolete technology is a dampner in producing quality fabrics, the Committee urge the Ministry to ensure provisions of upgraded and modernised equipments to the powerloom weavers so as to increase productivity and quality of the fabrics.

20. The Committee are concerned to note that under the Powerloom Mega Cluster Schemes, where subsidy is provided upto Rs.50 crore per cluster, setting up of five mega clusters at Bhiwandi, Bhilwara, Ichalkaranji, Erode and Surat has been adversely affected due to non-availability of land, resource constraints of the stake holders etc. While the projects at Bhilwara and Bhiwandi have been shifted to other places, projects at Erode and Surat are at the initial stages. The Committee are not satisfied with the state-of-affairs and impress upon the Ministry to take corrective measures and effectively coordinate with the State Governments and other stakeholder concerned so that the five mega clusters are established

within a definite time line and the intended objective of benefitting the powerloom weavers is achieved.

21. The Committee are displeased to note that the R&D and Institutional Development Programme which was launched in 2014-15 for a period of five years is still at the initial stage for want of adequate response from the Research Institutions. The Ministry's expectations that in the coming years the expenditure in that direction would increase substantially are not convincing in view of the slow progress of the Programme. The Committee, therefore, impress upon the Ministry to take recourse to urgent punitive measures to intensify the publicity campaigns for obtaining adequate proposals from the Research Institutions so that R&D and Institutional Development are carried out in the Textile sector, as envisaged.

22. The Committee note that there has been approximately 70 percent growth in the export of jute and jute products besides noticeable growth in the export of diversified jute products. The Ministry are, therefore, focusing on new and diversified jute products for which three Centres to impart training and marketing skills have already been opened and two more Centres will be established soon. In view of the significant role played by the jute sector in the Textile Industry in terms of people earning their livelihood and as well as export earnings through this sector, the Committee desire the Ministry to continue to focus on production of new and diversified jute products and set up two more Centres as planned, at the earliest so as to increase the export potential of such products besides creating additional employment.

23. The Committee are given to understand that most of the jute mills are not operating throughout the year and to their full capacity. Further, workers in jute mills are not getting their statutory dues even after retirement which is a matter of serious concern to the Committee. In view of the huge number of people engaged in and earning their livelihood from the jute sector, the Committee are of the firm opinion that it is the moral obligation of the Ministry to protect the jute workers and their families from exploitation by unscrupulous elements besides ensuring their socio-economic upliftment. The Committee, therefore, exhort the Ministry to take serious and urgent measures, in unison with the State Governments concerned, so as to ensure that the jute mills function to their full potential throughout the year and the workers get their rightful dues. The Committee also recommend that the Ministry must take stringent action against those individuals/ bodies/ agencies who violate the statutory provisions of various Acts governing the jute sector.

24. The Committee note that the Technology Upgradation Fund Scheme (TUFS), which was introduced in 1999 to catalyse capital investments for technology upgradation and modernisation of the Textiles Industry, has gone through many incarnations *viz.* Modified TUFS (M-TUFS), Restructured TUFS (R-TUFS), Revised Restructured TUFS(RR-TUFS) and finally culminating in Amended TUFS (A-TUFS) *w.e.f* 13th January, 2016 and to be continued till 31st March, 2022. As the focus of A-TUFS is on value addition and employment generation in garmenting, technical textiles, weaving and processing segments, the Committee urge the Ministry to tie up the loose ends and accelerate their preparedness to effectively implement the A-

TUFS so as to attract the projected investment of Rs. One Lakh crore and employment generation of about 30 lakh people.

25. The Committee note that the Budget allocation approved by the CCEA for A-TUFS is Rs.17,822 crore which includes Rs.12,671 crore for committed liabilities and Rs.5,151 crore for new schemes under A-TUFS. The Secretary, Ministry of Textiles has pleaded that at least Rs.4,500 crore more should be allocated to the Ministry for A-TUFS during 2016-17 as the Ministry's proposed allocations for A-TUFS has been substantially reduced by the Finance Ministry. The Committee are of the considered opinion that since A-TUFs has been launched with a view to supporting the 'Make-in-India' initiative of the Union Government, there is no plausible reason to reduce the requirement of the Ministry. The assurance of the Secretary that if they get the required amount, the Ministry would be able to generate large scale employment also merits attention. The Committee, therefore, desire that the fund requirements of the Ministry for effective implementation of A-TUFS be suitably catered to and the Textiles Secretary should accordingly take up the matter at the appropriate fora for getting the needful done to bring in the much needed vibrancy in the Textiles sector.

26. The Committee are perturbed to note that there have been persistent shortfalls in utilisation of Plan Outlays in the North Eastern Region during the last four years reportedly due to delay in identification of key areas and lack of adequate block level data. To address the issue, the Ministry are proposing to set up a dedicated Project Management Unit (PMU) at Guwahati. While expressing their serious displeasure over the negligence in putting in place the basic

requirements which are critical to the proper implementation of schemes meant for the North Eastern Region, the Committee urge the Ministry to embark upon urgent punitive measures to ensure effective fruition of the programmes envisaged for the North East Region and consequential utilisation of the Plan Outlay of Rs.255.98 crore earmarked for the year 2016-17. The Committee would also like the Ministry to pay specific attention towards promotion and development of Agro Textiles and Geo Textiles in the North-Eastern Region.

27. The Committee are pleased to note that the National Textile Corporation's networth has turned positive and as on 30th June, 2015 it stood at Rs.1,219.80 crore. It is also heartening to note that after upgradation and modernisation, the NTC mills are performing quite well as is corroborated from the fact that during 2015-16, the production of yarn and fabrics was 560 lakh kg and 200 lakh meters respectively, showing an increase in the production vis-a-vis 2014-15 when the corresponding figure was 518 lakh kg of yarn and 171 lakh meters of fabrics. However, what concerns the Committee is the fact that the mills, including those in Mumbai are yet to become fully viable and self-sustainable, for which there has been a proposal to shift some mills in Mumbai to elsewhere. The Ministry are also undertaking a study and find out ways to make the mills viable and profitable. As the Company intends to transform itself into an integrated textile Company besides diversifying into technical textiles which have tremendous potential for improving the turnover and profitability of the Company, the Committee desire the Ministry to extend wholehearted support to the Company in its endeavour. The Committee further desire that whatever decisions are taken

regarding the shifting of some mills, the overall interest of the Company and the welfare of its employees must be taken care of and adequately protected.

New Delhi;
2nd May, 2016
12th Vaisakha, 1938 (*Saka*)

DR. VIRENDRA KUMAR
CHAIRPERSON
STANDING COMMITTEE ON LABOUR

COMMITTEE ON LABOUR

(2015-16)

Minutes of the Thirteenth Sitting of the Committee

The Committee sat on 21st March, 2016 from 1100 hrs. to 1405 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Dr. Virendra Kumar – Chairperson

**MEMBERS
LOK SABHA**

2. Shri Rajesh Kumar Diwakar
3. Shri Satish Chandra Dubey
4. Shri Devajibhai Govindbhai Fatepara
5. Shri Satish Kumar Gautam
6. Dr. Boora Narsaiah Goud
7. Shri C.N. Jayadevan
8. Shri Bahadur Singh Koli
9. Dr. Arun Kumar
10. Shri Kaushalendra Kumar
11. Shri Hari Manjhi
12. Shri R. Parthipan
13. Shri Hariom Singh Rathore
14. Shri Dayakar Pasunoori

RAJYA SABHA

15. Shri Nazir Ahmed Laway
16. Shri Aayanur Manjunatha
17. Shri Rajaram
18. Shri Tapan Kumar Sen
19. Shri Ravi Prakash Verma

SECRETARIAT

- | | | | |
|----|------------------------|---|---------------------|
| 1. | Shri N.C. Gupta | - | Joint Secretary |
| 2. | Shri Ashok Sajwan | - | Director |
| 3. | Shri D.R. Mohanty | - | Additional Director |
| 4. | Smt. Archana Srivastva | - | Under Secretary |

REPRESENTATIVES OF THE MINISTRY OF TEXTILES

Sl. No.	Name of the Officer	Designation
1.	Ms. Rashmi Verma	Secretary
2.	Dr. K.Gopal	DC (Handicrafts)
3.	Shri Alok Kumar	DC(Handlooms)
4.	Ms. Kavita Gupta	Textile Commissioner
5.	Shri Subrata Gupta	Jute Commissioner
6.	Shri Arvind Kumar	Secretary (NJB)
7.	Dr.H.N. Prabhu	Member Secretary (CSB)
8.	Shri Sudhir Tripathi	DG(NIFT)
9.	Shri P.C. Vaish	CMD(NTC)
10.	Shri B.K.Mishra	CMD(CCI)
11.	Shri Pramod Nagpal	MD(CCIC)
12.	Shri S. Srinivas	CMD(NHDC)
13.	Shri M. K. Verma	GM(BIC), Kanpur

2. At the outset, the Chairperson welcomed the representatives of the Ministry of Textiles to the sitting of the Committee convened to take evidence of the Ministry on 'Demands for Grants (2016-17)'. Impressing upon the witnesses to keep the proceedings of the Committee 'Confidential', the Chairperson asked the Secretary, Ministry of Textiles, to give an overview of the Budgetary provisions for the year 2016-17 for various programmes/activities/schemes and the plan of action on the part of the Ministry for optimal utilisation of the earmarked funds.

3. The Secretary, accordingly, gave a brief power-point presentation *inter-alia* highlighting the Budgetary allocations for various activities for the year 2016-17, the measures taken/proposed for maximum utilisation of funds during the year. She also apprised the Committee of the actual expenditure vis-a-vis allocations made during the previous fiscal year and efforts made for

overall utilisation of funds and implementation of various schemes in the North-Eastern Region, measures taken to promote Jute Industry and jute export, National Handloom/Handicraft Development Programme, importance accorded to Geo-Textiles, revival and upgradation of NTC mills, etc. The Secretary and other representatives of the Ministry also responded to various queries raised by the Members.

4. As some points required detailed reply, the Chairperson asked the Secretary, Ministry of Textiles, to furnish written replies thereon within a week. The Secretary assured to comply.

5. The Chairperson thanked the Secretary and other representatives of the Ministry for furnishing valuable information on the subject and responding to the queries of the Members.

(The witnesses then withdrew.)

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

The Committee then adjourned.

STANDING COMMITTEE ON LABOUR

(2015-16)

Minutes of the Eighteenth Sitting of the Committee

The Committee sat on 2nd May, 2016 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**

2. Shri Satish Chandra Dubey
3. Shri Devajibhai Govindbhai Fatepara
4. Shri Satish Kumar Gautam
5. Shri Bahadur Singh Koli
6. Dr. Arun Kumar
7. Shri Kaushalendra Kumar
8. Shri Hari Manjhi
9. Shri Naba Kumar Sarania
10. Shri Mulayam Singh Yadav

RAJYA SABHA

11. Shri P.L. Punia
12. Shri Rajaram
13. Haji Abdul Salam
14. Shri Tapan Kumar Sen

SECRETARIAT

- | | | | |
|----|------------------------|---|----------------------|
| 1. | Shri K. Vijayakrishnan | - | Additional Secretary |
| 2. | Shri N.C. Gupta | - | Joint Secretary |
| 3. | Shri Ashok Sajwan | - | Director |
| 4. | Shri D.R. Mohanty | - | Additional 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 Reports. Giving an overview of the main/important Recommendations contained in both the Draft 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 Reports and adopted them after some discussions:

(i) XX XX XX XX

(ii) Draft Report on 'Demands for Grants (2016-17) of the Ministry of Textiles.

4. The Committee then authorised the Chairperson to finalise the Reports in the light of consequential changes that might arise out of factual verification of the draft Reports and to present the same to both the Houses.

The Committee then adjourned.

XX Do not pertain to this report