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STANDING COMMITTEE ON LABOUR

(2014-15)

(SIXTEENTH LOK SABHA)

MINISTRY OF TEXTILES

DEMANDS FOR GRANTS

(2014-15)

SECOND REPORT



LOK SABHA SECRETARIAT

NEW DELHI

December, 2014/Agrahayana, 1936 (Saka)

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(SIXTEENTH LOK SABHA)

MINISTRY OF TEXTILES

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Presented to Lok Sabha on 15th December, 2014

Laid in Rajya Sabha on 15th December, 2014



LOK SABHA SECRETARIAT

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COMPOSITION OF THE STANDING COMMITTEE ON LABOUR

(2014-15)

DR. VIRENDRA KUMAR-CHAIRPERSON

MEMBERS
LOK SABHA

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

RAJYA SABHA

22. Shri D. Bandyopadhyay
23. Shri P. Kannan
24. Shri Aayanur Manjunatha
- *****25. Vacant
- *****26. Vacant
27. Shri G.N. Ratanpuri
28. Haji Abdul Salam
29. Shri Tapan Kumar Sen
30. Shri R.K. Sinha
31. Vacant

-
- * Vacancy occurred *vice* Shri Tariq Anwar nominated to Standing Committee on Personnel, Public Grievances, Law & Justice *w.e.f.* 11th September, 2014.
- ** Vacancy occurred *vice* Shri Giriraj Singh appointed as Minister for State *w.e.f.* 9th November, 2014
- *** Vacancy occurred *vice* Shri Kapil Krishna Thakur expired on 13.10.2014.
- **** Nominated *w.e.f.* 7th October, 2014.
- ***** Vacancy occurred *vice* Shri Ranbir Singh Parjapati resigned from the membership of Rajya Sabha *w.e.f.* 1st November, 2014
- ***** Vacancy occurred *vice* Shri Rajaram retired from Rajya Sabha *w.e.f.* 25.11.2014.

SECRETARIAT

- | | | | |
|----|---------------------|---|----------------------|
| 1. | Shri Devender Singh | - | Additional Secretary |
| 2. | Shri Ashok Sajwan | - | Director |
| 3. | Shri D.R. Mohanty | - | Deputy Secretary |

INTRODUCTION

I, the Chairperson, Standing Committee on Labour (2014-15) having been authorized by the Committee do present on their behalf this Second Report on Demands for Grants (2014-2015) of the Ministry of Textiles.

2. The Committee considered the Demands for Grants pertaining to the Ministry of Textiles for the year 2014-15 which were laid on the Table of the House on 7th August, 2014. Thereafter, the Committee took evidence of the representatives of the Ministry of Textiles on 27th October, 2014. The Committee considered and adopted the Report at their sitting held 09th December, 2014.

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

New Delhi;
10th December, 2014
19 Agrahayana, 1936 (Saka)

DR. VIRENDRA KUMAR
CHAIRPERSON
STANDING COMMITTEE ON LABOUR

REPORT**PART-I****CHAPTER-I****INTRODUCTORY**

The Indian Textile Industry occupies a unique position in the country's economy and psyche and has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textile industry also plays a pivotal role through its contribution to industrial output, employment generation and the export earnings of the country. The fate of rural economy and the fortune of major fibre crops and crafts viz. cotton, wool, silk, handicrafts and handlooms, which provides employment to millions of farmers and craft persons in rural of semi-urban areas, depends on the textile industry. The textile Sector is the second largest provider of employment after Agriculture. The textiles industry accounts for 14 per cent of industrial production, which is 4 per cent of the GDP; employs 45 million people and accounts for nearly 11 per cent share of the country's total exports basket besides 27 per cent country's foreign exchange inflow. The exports basket contains a wide range of items viz. cotton yarn and silk fabrics, man-made and variety of garments, which are exported to more than hundred countries.

1.2 The Indian textiles industry is extremely varied, with the hand- spun and hand-woven sector at one end of the spectrum, and the capital intensive sophisticated mill sector on the other. The decentralized powerlooms/hosiery and knitting sector form the largest section of the textiles sector. The close linkage of the

Industry to Agriculture and the ancient culture, and traditions of the country makes the Indian textiles sector unique in comparison to the textiles industry of other countries. This also provides the industry with the capacity to produce a variety of products suitable to the different market segments, both within and outside the country. The major sub-sectors that comprise the textiles sector include the organized cotton/man-made fibre textiles mill industry, the man-made fibre/filament yarn industry, the wool and woolen textiles industry, the sericulture and silk textiles industry, Handlooms, Handicrafts, the jute and jute textiles industry, and textile exports.

1.3 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 and trade regulation of the Textiles Industry. The mission of the Ministry is to:

- (i) Promote planned and harmonious growth of textiles by making available adequate fibres to all sectors.
- (ii) Promote technological upgradation for all types of textiles including technical textiles, jute, silk, cotton and wool.
- (iii) Promote skills of all textile workers, handloom weavers and handicrafts artisans, creation of new employment opportunities and development of new designs to make these sectors economically sustainable.

- (iv) Ensure proper working environment and easy access to health care facilities and insurance cover to weavers and artisans to achieve better quality of life.
- (v) Promote exports of all types of textiles and clothing and handicrafts and increase India's share of world exports in these sectors.

The Objectives of the Ministry are to:

- (i) Make available adequate raw material to all sectors of the Textiles Industry.
- (ii) Augment the production of fabrics at reasonable prices from the organized and decentralized sectors.
- (iii) Lay down guidelines for a planned and harmonious growth of various sectors with special emphasis on the development of the handlooms sector due to its large employment potential.
- (iv) Monitor the techno-economic status of the industry and to provide the requisite policy framework for modernization and rehabilitation.

1.4 The principal functional areas of the Ministry cover the following:

- (a) Textile Policy & Coordination
- (b) Man-Made Fibre/Filament Yarn Industry
- (c) Cotton Textile Industry
- (d) Jute Industry

- (e) Silk and Silk Textile Industry
- (f) Wool & Woollen Industry
- (g) Decentralized Powerloom Sector
- (h) Export Promotion
- (i) Planning & Economic Analysis
- (j) Integrated Finance Matters
- (k) Information Technology
- (l) Handloom Sector
- (m) Handicraft Sector
- (n) Integrated Skill Development-Human Resource Development
- (o) Technology Upgradation in Textiles Sector
- (p) Research and Development
- (q) Development of North Eastern Areas

1.5 The strategic thrust areas of the programmes of the Ministry are on:

- (a) Technological Upgradation;
- (b) Enhancement of productivity;
- (c) Quality Consciousness;
- (d) Strengthening of raw-material base;

- (e) Product diversification;
- (f) Increase in exports and innovative marketing strategies;
- (g) Financing arrangement;
- (h) Maximizing employment opportunity;
- (i) Welfare of weavers and artisans;
- (j) Integrated human resource development;
- (k) Research & Development

1.6 The Ministry are reportedly adopting/contemplating the following strategies to achieve the objectives of the 12th Five Year Plan (2012-17).

- (a) Continuation of modernization and technological upgradation of different segments of textiles industry through revised structured technology Upgradation Fund Scheme.
- (b) Creation of textiles specific infrastructure through the Scheme for Integrated Textiles Parks (SITP).
- (c) Introduction of a new 'Integrated Processing Development Scheme' for setting up Common Effluent treatment Plants with Marine Outfall (CETPMO).
- (d) Integrated Apparel Development Scheme – Setting up of Integrated Apparel Clusters'.

- (e) Integrated Skill Development Scheme (HRD)
- (f) Common Compliance Code (CCC)
- (g) Revival Reforms and Restructuring package for Handlooms.
- (h) Mega Cluster for Handloom, Handicrafts and Powerloom.
- (i) Scheme for Integrated Textiles Parks
- (j) Scheme for Usage of GEO Textiles in North – Eastern Region
- (k) Scheme for Promoting Agro Textiles in North-East
- (l) NER Textile Promotion Scheme
- (m) Technical Textile

1.7 The Ministry carry out the implementation of various Schemes through their several attached and subordinate offices, statutory and autonomous bodies and the Central Public Sector Enterprises.

CHAPTER-II**BUDGETARY PROVISIONS AND UTILISATION**

The Demands for Grants of the Ministry of Textiles for the year 2014-15 are given under Demand No.95. The detailed Demands for Grants of the Ministry were laid on the Table of the Lok Sabha on 7th August, 2014. The Budget Estimate of the Ministry showing Plan and Non-Plan expenditure for the year 2014-15 is as under:

Demand No.95**(Rupees in Crore)**

	Plan	Non-Plan	Total
Revenue			
Voted	4821.00	726.70	5547.70
Charged	-	-	-
Capital			
Voted	10.00	104.39	114.39
Charged	-	35.34	35.34
Grand Total	4831.00	866.43	5697.43

2.2 Asked to furnish the BE, RE and Actual Expenditure under both Plan and Non-Plan Heads since 2010-11, the following comparative analysis was submitted to the Committee:

S.No.	Year	BE	RE	Actual expenditure	% w.r.t. BE	% w.r.t. RE
	Plan					
1	2010-11	4725.00	4725.00	4191.32	88.71	88.71
2	2011-2012	5000.00	5503.30	4207.80	84.16	76.46
3	2012-13	7000.00	4500.00	3615.61	51.65	80.34
4	2013-14	4631.00	3900.00	3154.55	68.11	80.88
5	2014-15	4831.00				
	Non-Plan					
6	2010-11	883.08	2043.85	2007.71	227.35	98.23
7	2011-12	873.75	942.27	769.39	88.06	81.65
8	2012-13	836.41	810.55	757.78	90.59	93.48
9	2013-14	800.59	798.80	776.69	97.01	97.23
10	2014-15	866.43				

2.3 As would be seen from above, since 2010-11, the Actual Expenditure *vis-à-vis* the BE & RE has been consistently short under both Plan and Non-Plan heads. In this context, the Committee desired to be apprised of the reasons for shortfalls in the budgetary provisions. In reply, the Ministry submitted that the reasons for

sub-optimal utilization of funds under Plan Head were receipt of lesser number of proposals and pending Utilization Certificates. For lesser utilization of funds under the Non-Plan Head, the Ministry submitted that it was due to economic measures, receipt of less demand and no Minimum Support Price (MSP) operation in cotton.

2.4 The Committee then asked about the reasons for receipt of less number of proposals and measures taken/contemplated to ensure receipt of sufficient proposals in 2014-15 so as to optimize the utilization of the allocated funds. In reply, the Ministry stated that the receipt of less number of proposals with respect to schemes happened only under the powerloom sector. No application was received during the year 2013-14 for Common Facility Centre (CFC) and Yarn Bank for consideration under the Integrated Scheme for Powerloom Sector Development. Hence, the allocated amount could not be utilized fully. However, there has been no dearth of proposals for sanction under all other schemes of handloom sector, handicrafts, integrated parks, skill development and sericulture.

2.5 As regards measures taken to ensure receipt of sufficient proposals during 2014-15, the Ministry submitted that weekly monitoring at the level of Secretary and the Joint Secretaries concerned has ensured receipt of adequate proposals under all schemes of the Ministry. Under programmes/schemes which required proposals from the State Governments, Chief Secretaries of the States were addressed demi officially by the Secretary (Textiles) and a meeting was also convened with Textile Ministers of all the

States by the Minister of Textiles for explaining the objectives and funding pattern of the schemes of the Ministry and seeking proposal to promote the sector in the respective States. The Ministry further stated that the empowered committees constituted for sanction of projects under various schemes (SITP, NERTPS, ISDS and Apparel Parks, Workers Hostels, Incubation Centers etc.) in F.Y. 2014-15 have already met and accorded sanction for targeted projects for maximizing utilization of funds provided during the year.

2.6 The Committee then sought reasons for consistent pendency of the Utilization Certificates and the persons responsible for such pendency. In reply, the Ministry stated that funds were given to the Implementing Agencies such as Central/ State Corporations, NGOs etc. for various projects. The Implementing Agencies were responsible for timely utilization of grants and submission of Utilization Certificates (UC). The Ministry further added that many a time the Implementing Agencies were not able to get complete information in time from the field formations to enable furnishing Utilization Certificates to the Ministry. In certain schemes like Scheme for Integrated Textile Parks (SITP), delays in implementation of the projects have occurred due to failure of the State Governments in according environmental clearance and providing power and water infrastructure. The Utilization Certificates have, therefore, been delayed for such projects.

2.7 Regarding measures contemplated to ensure timely receipt of Utilization Certificates, the Ministry apprised that the State Governments have been requested from time to time to expeditiously release funds to the implementing agencies so that the progress of the sanctioned projects was not hampered. The Ministry further stated that the new Centre-State Co-ordination portal of the Cabinet Secretariat, e-Samiksha was being effectively used to follow up with the State Governments on timely implementation of projects and thereby enabling regular furnishing of Utilization Certificates by the Implementing Agencies.

2.8 As regards UCs pending with Non-Governmental Organizations, the Ministry informed that they were proposing to stop grants to those agencies which failed to submit the Utilization Certificates in time and also consider grant of more projects to those Implementing Agencies whose track record was compliant with Ministry's guidelines. The Ministry emphasized that these measures would definitely help in timely submission of Utilization Certificates.

2.9 As regards shortfalls under the Non-Plan expenditure, the Committee enquired about the reasons for receipt of less demand and the specific economy measures that were taken to curtail wasteful expenditure. In reply, the Ministry stated that the demand was reported less under non-plan for the year 2011-12 and 2013-14. With respect to the shortfall in 2011-12, it was due to short drawl by the closed Private Mills under Textile Workers Rehabilitation Fund Scheme (TWRFS), the fact that there was no

need for MSP operations by Cotton Corporation of India (CCI) for procurement of Cotton and non-finalization of the VRS scheme of British India Corporation Limited. In so far as the year 2013-14 was concerned, the Ministry clarified that there was less demand on account of payment of arrears to BIC employees by Rs.35.34 crores since the computation of dues was revised by the Company from Rs.55 crores to Rs.19.66 crores. Similarly in the case of contribution to International Cotton Advisory Committee (ICAC) the amount was revised from Rs.1.5 crore to Rs.1.16 crore in view of the fluctuation in dollar rates in the year.

SCHEME-WISE UTILISATION OF FUNDS

2.10 The following statement showing the Scheme wise details of allocated funds which could not be fully utilized during 2013-14, the quantum of funds surrendered along with reasons thereof was furnished to the Committee.

Plan- Revenue

(Rs. in thousands)				
S. No.	Budget Head / Name of Scheme	BE 2013-14	Surrender	Remarks
1	2552002260110031- Yarn Supply Scheme/ Mill Gate Price- Grant in aid General	35000	27300	Due to non-receipt of viable proposals from implementing agencies.
2	255200226070020- Handloom Weavers Comprehensive Welfare	20000	20000	Due to non-receipt of viable proposals from

	Scheme- Other Administrative Expenses			implementing agencies.
3	255200226070031- Handloom Weavers Comprehensive Welfare Scheme- Grant in aid General	275000	132200	Due to non-receipt of viable proposals from implementing agencies.
4	255200226070050- Handloom Weavers Comprehensive Welfare Scheme- Other Charges	5000	5000	Due to non-receipt of viable proposals from implementing agencies.
5	255200229040031- NIFT-Grant in aid General	150,000	150000	Due to non-receipt of viable proposals from implementing agencies.
6	255200229090031- Usage of Geo- Textiles in NER -Grant in aid General	80,000	80000	Due to non-receipt of viable proposals from implementing agencies.
7	255200229090035- Usage of Geo- Textiles in NER -Grants for creation of capital assets	1,060,000	571400	Due to non-receipt of viable proposals from implementing agencies.
8	255200229100031- Promoting Agro Textiles in NER -Grant in aid General	20,000	20000	Due to non-receipt of viable proposals from implementing agencies.
9	255200229100035- Promoting Agro Textiles in NER- Grants for creation of capital assets	160,000	160000	Due to non-receipt of viable proposals from implementing agencies.
10	255200229110031- NER Textile Promotion Scheme -Grant in aid General	575,000	225000	Due to non-receipt of viable proposals from implementing agencies.

11	255200229110035- NER Textile Promotion Scheme - Grants for creation of capital assets	575,000	225000	Due to non-receipt of viable proposals from implementing agencies.
12	285100103430020- Handloom Weavers Comprehensive Welfare Scheme- Other Administrative Expenses	7000	5000	Due to non-receipt of viable proposals from implementing agencies.
13	285100104320035- Infrastructure & Technology Development Project- Grants for creation of capital assets	300000	100000	Due to non-receipt of viable proposals from implementing agencies.
14	285100108060050- Group Workshed Scheme- Other Charges	104,000	74500	Due to non-receipt of viable proposals from implementing agencies.
15	285100108080050- Other Charges- Health Insurance Scheme	47400	47400	Due to non-receipt of viable proposals from implementing agencies.
16	285100108120131- Integrated Scheme for Powerloom Sector- Grant in aid General	90500	31700	Due to non-receipt of viable proposals from implementing agencies.
17	285100108120231- Pilot Initiative reg. Venture Capital Text Fund -Grant in aid General	130000	130000	Due to non-receipt of viable proposals from implementing agencies.
18	285100108120331- Partial Mechanisation of Handloom -Grant in aid General	60000	60000	Due to non-receipt of viable proposals from implementing agencies.

19	285100108130031- Scheme for in- Situ Upgradation of Plain Powerloom -Grant in aid General	299,000	270400	Due to non-receipt of viable proposals from implementing agencies.
20	285100108140028- Powerloom Mega Cluster- Professional Services	15000	13800	Due to non-receipt of viable proposals from implementing agencies.
21	285100108140031- Powerloom Mega Cluster -Grant in aid General	34000	9000	Due to non-receipt of viable proposals from implementing agencies.
22	285100108140035- Powerloom Mega Cluster- Grants for creation of capital assets	111000	79900	Due to non-receipt of viable proposals from implementing agencies.
23	285100789160031- Handloom Weavers Comprehensive Welfare Scheme- Grant in aid General	100000	38000	Due to non-receipt of viable proposals from implementing agencies.
24	285100789250050- Integrated Powerloom Cluster Development Scheme- Other Charges	5000	5000	Due to non-receipt of viable proposals from implementing agencies.
25	285100789460050- Group Workshed Scheme- Other Charges	5000	5000	Due to non-receipt of viable proposals from implementing agencies.
26	285100789470050- Scheme for in- Situ Upgradation of Plain Powerloom	16000	16000	Due to non-receipt of viable proposals from implementing agencies.
27	285100789500331- Mega Cluster- Grant in aid General	9000	9000	Due to non-receipt of viable proposals from implementing agencies.

28	285100796490031- Scheme for in- Situ Upgradation of Plain Powerloom -Grant in aid General	5000	5000	Due to non-receipt of viable proposals from implementing agencies.
29	285100800470031- Integrated Wool Development Programme -Grant in aid General	165000	40000	Due to non-receipt of viable proposals from implementing agencies.
30	285208202020731- Grants to Institute of Fashion Technology - Grant in aid General	590,000	340000	Due to non-receipt of viable proposals from implementing agencies.
31	285208202020931- Research & Development -Grant in aid General	410,000	379600	Due to non-receipt of viable proposals from implementing agencies.
32	285208202020935- Research & Development	69,300	62400	Due to non-receipt of viable proposals from implementing agencies.
33	285208202130033- TUFS-Subsidies	22,780,000	5085048	Due to non-receipt of viable proposals from implementing agencies.
34	285208202130050- TUFS-Other Charges	27,500	19858	Due to non-receipt of viable proposals from implementing agencies.
35	285208202270035- Integrated Textile Parks- Grants for creation of capital assets	2810000	1580000	Due to non-receipt of viable proposals from implementing agencies.
36	285208202350031- Human Resource Development Scheme- Grant in aid General	1500000	800000	Due to non-receipt of viable proposals from implementing agencies.

37	285208202350035- Human Resource Development Scheme- Grants for creation of capital assets	700000	530000	Due to non-receipt of viable proposals from implementing agencies.
38	285208202370031- Technical Textile including Jute -Grant in aid General	80,000	47900	Due to non-receipt of viable proposals from implementing agencies.
39	285208202370035- Technical Textile including Jute- Grants for creation of capital assets	320,000	128600	Due to non-receipt of viable proposals from implementing agencies.
40	285208202560031- Integrated Processing Development Scheme - Grant in aid General	100,000	90000	Due to non-receipt of viable proposals from implementing agencies.
41	285208202560035- Integrated Processing Development Scheme- Grants for creation of capital assets	334,000	334000	Due to non-receipt of viable proposals from implementing agencies.
42	285208789020033- TUFS-Subsidies	1002500	1002500	Due to non-receipt of viable proposals from implementing agencies.
43	285208789030031- Integrated Textile Parks -Grant in aid General	110,000	100000	Due to non-receipt of viable proposals from implementing agencies.
44	285208789090035- Technical Textile Including Jute- Grants for creation of capital assets	17000	12000	Due to non-receipt of viable proposals from implementing agencies.
45	285208789090031- Technical Textile Including Jute -Grant	5000	5000	Due to non-receipt of viable proposals from implementing agencies.

	in aid General			
46	285208789110035- Integrated Processing Development Scheme- Grants for creation of capital assets	56,000	56000	Due to non-receipt of viable proposals from implementing agencies.
47	285208796020033- TUFS-Subsidies	190,000	190000	Due to non-receipt of viable proposals from implementing agencies.
48	285208796100035- Integrated Textile Parks- Grants for creation of capital assets	45,000	5000	Due to non-receipt of viable proposals from implementing agencies.
49	285208796120035- Integrated Processing Development Scheme- Grants for creation of capital assets	10,000	10000	Due to non-receipt of viable proposals from implementing agencies.
50	360104726120031- Handloom Weavers Comprehensive Welfare Scheme- Grant in aid General	5000	5000	Due to non-receipt of viable proposals from implementing agencies.
Total			13338606	

2.11 As would be seen from the above Statement of scheme-wise allocation of funds under the Plan Head, in as many as 50 Schemes, there was surrender of funds during 2013-14. Worse, out of these 50 Schemes, in as many as 21 Schemes viz. Handloom Weavers Comprehensive Welfare Scheme; NIFT-Grants-in-Aid; Textiles in NER; Health Insurance Scheme; Promoting Agro Textiles;

Partial Mechanization of Handloom; Integrated Powerloom Cluster Development Scheme; TUFs subsidies; etc., there was hundred per cent surrender of funds. Everywhere, the reason for surrender of funds has been attributed to 'non-receipt of viable proposals from implementing agencies'.

2.12 In the above context, the Committee desired to know the reasons for the failure on the part of the implementing agencies in submitting viable proposals. In reply, the Ministry again furnished the following Statement.

Scheme-wise details of funds which could not be utilized during the Financial Year 2013-14 and surrendered in entirety						
Plan- Revenue						(Rs. in thousands)
S. No.	Budget Head	Name of the Scheme	Implementing Agency	BE 2013-14	Surrender	Remarks
1	255200226070020	Handloom Weavers Comprehensive welfare Scheme- Other Administrative Expenses	ICICI Lomard & LIC	20000	20000	Efforts to obtain proposals under the Scheme in NER head did not fructify in the Financial Year (FY).
2	255200226070050	Handloom Weavers Comprehensive Welfare Scheme- Other Charges	ICICI Lomard & LIC	5000	5000	
3	255200229040031	NIFT-Grant in aid General	NIFT	150,000	150000	
4	255200229090031	Usage of Geo-Textiles in NER - Grant in aid General	O/o Textile Commissioner	80,000	80000	
5	255200229100031	Promoting Agro Textiles in NER - Grant in aid General	O/o Textile Commissioner	20,000	20000	
6	255200229100035	Promoting Agro Textiles in NER- Grants for creation of capital assets	O/o Textile Commissioner	160,000	160000	
7	285100108080050	Other Charges- Health Insurance Scheme	O/o Textile Commissioner	47400	47400	Changes in mode of implementation of the Scheme which was in the process of being transferred to M/o Health & Family Welfare.

8	285100108120231	Pilot Initiative reg. Venture Capital Text Fund -Grant in aid General	SIDBI	130000	130000	Efforts were under process to get the scheme implemented but due to the procedures involved in signing of Contribution agreement, it spilled over to the next FY
9	285100108120331	Partial Mechanisation of Handloom -Grant in aid General		60000	60000	No sufficient proposals were received.
10	285100789250050	Integrated Powerloom Cluster Development Scheme- Other Charges	O/o Textile Commissioner	5000	5000	There were not adequate number of proposals received under the Scheme.
11	285100789460050	Group Workshed Scheme (GWS)- Other Charges	O/o Textile Commissioner	5000	5000	There were not adequate number of proposals received under the Scheme.
12	285100789470050	Scheme for in- Situ Upgradation of Plain Powerloom	O/o Textile Commissioner	16000	16000	Release of subsidy could not take place as the powerloom weavers have not upgraded their plain powerlooms with attachments/kits as provided under the Scheme and there was reluctance by Banks to advance loans to small powerloom weavers.
13	285100789500331	Mega Cluster- Grant in aid General	SPV	9000	9000	There were not adequate number of proposals received under the Scheme.
14	285100796490031	Scheme for in- Situ Upgradation of Plain Powerloom -Grant in aid General	O/o Textile Commissioner	5000	5000	
15	285208202560035	Integrated Processing Development Scheme- Grants for creation of capital	Scheme didn't take off	334,000	334000	Scheme was sanctioned in November 2013. Steps were initiated to roll out the scheme by engaging Project management Consultant but it spilled over to the next FY in view of the Model Code of Conduct and General Elections
16	285208789020033	TUFS-Subsidies	O/o Textile Commissioner	1002500	1002500	This is a demand driven scheme which is open to all, therefore, enough proposals were not received in this head.
17	285208789090031	Technical Textile Including Jute -Grant in aid General	O/o Textile Commissioner	5000	5000	Same as SI No 16
18	285208789110035	Integrated Processing Development Scheme- Grants for creation of capital	Scheme didn't take off	56,000	56000	Same as SI No 15
19	285208796020033	TUFS-Subsidies	O/o Textile Commissioner	190,000	190000	Same as SI No 16
20	285208796120035	Integrated Processing Development Scheme- Grants for creation of capita	Scheme didn't take off	10,000	10,000	Same as SI No 15
21	360104726120031	Handloom Weavers Comprehensive Welfare Scheme- Grant in aid General	ICICI Lomard & LIC	5000	5000	Due to non-receipt of viable proposals from implementing agencies.

2.13 The Committee then asked about the specific criteria adopted by the Ministry to consider the proposals submitted by the implementing agencies as viable or otherwise. In response, the Ministry submitted that the Ministry called for proposals from the implementing agencies after duly formulating and communicating clear criteria on viability and feasibility of the proposed projects. The proposals thus received were scrutinized and evaluated by empanelled technical agencies and were examined and approved by the Empowered Committees which included representative from Planning Commission, Ministry of Finance (Dept. of Expenditure) and Ministry concerned. The Ministry further stated that the criteria for viability were set out based on the scheme guidelines approved by the competent authority and were specific to the individual schemes. Availability of land and its ownership for projects, appropriate market linkages, net worth of the promoters of projects, appropriate State Governments clearances were some of the criteria adopted by the Ministry to ensure viability of the proposals.

2.14 Asked to state the robust mechanism put in place/ proposed to ensure receipt of viable proposals from the implementing agencies so as to avoid recurrence of surrender of funds in 2014-15 and beyond, the Ministry stated that the Chief Secretaries of the States were addressed demi officially by the Secretary (Textiles) regarding explaining the objectives and components of different programmes implemented by the Ministry. A meeting was convened with Textile Ministers of all the States by the Minister of Textiles for explaining the objectives and funding pattern of the schemes of the

Ministry and seeking proposals under them to promote the sector in the respective States. All schemes have been formulated in close consultation with the State Governments and the Industry. Further detailed guidelines in respect of the Schemes were circulated to all the State Governments and were also uploaded on the website. Regular and timely review meetings were held at the level of Secretary (Textiles) and Divisional Heads with the State Government officials wherein scheme guidelines are discussed and necessary clarifications given to avoid delay enabling submission of proposals complete in all respects. The Ministry further apprised that funds were released to State Governments in a timely manner and Project Management Consultants (PMCs) with technical expertise were also deployed for supporting the Implementing Agencies. Overall progress and expenditure incurred under each scheme was reviewed by the Secretary (Textiles) regularly in Senior Officers meeting of the Ministry every week. The adoption of electronic clearance of funds for various schemes has also aided in ensuring a quick and faster disbursement of funds, as also to serve as a means of preventive vigilance in respect of these schemes.

2.15 As regards the impediments faced in the implementation of the schemes and consequent under-utilization of funds, the Secretary, Ministry of Textiles apprised in evidence:

“One of the major things is that the scheme was not sanctioned earlier. Secondly, there was some difficulty in monitoring also. You will be happy to know that in the current year, in the first three months, we have been able to spend 42 per cent of the total scheme. It is all time record.”

2.16 The Committee then asked whether there was any scheme where the Ministry had not been able to spend more than 10 per cent of the allocated funds. In response, the Textile Secretary submitted:

“Sir, there are about 7-8 schemes and particularly there are States like Kashmir which you mentioned. It is because we have to get the proposal from the State Government. So, in that respect, the expenditure is nil. We are trying to work out some re-appropriation proposal wherever there is immediate requirement.”

2.17 The Committee then queried about the measures taken by the Ministry to ensure implementation of the schemes notwithstanding the reportedly negligible participation of the State Governments. In reply, the Secretary, Ministry of Textiles submitted that it was very difficult to ensure some tangible results without active participation of some State Governments.

2.18 A perusal of the aforesaid Statement also revealed that there was surrender of funds in seven Non-Plan Schemes due to economic measures and non-filling of vacant posts. In this context, the Committee desired to know the exact amount of funds surrendered separately due to economic measures and non-filling of vacant posts. In reply, the Ministry submitted that an amount of Rs.67.94 lakh was surrendered due to economic measures and Rs.508.00 lakh surrendered due to non-filling of vacant posts.

2.19 When asked the extent to which the non-filling of vacant posts adversely impacted smooth implementation of various schemes. In response, the Ministry clarified that the Plan Schemes were implemented by various Implementing Agencies/State Governments while monitoring of the Schemes was done by the Office of DC (Handlooms).

2.20 Regarding efforts made by the Ministry of fill up the vacant posts so as to avoid surrender of funds as well as to ensure effective implementation of the Schemes undertaken, the Ministry submitted that 32 number of posts have been filled during 2014-15; five posts have been referred to the UPSC; 27 posts have been referred to the SSC and 19 posts were under process of referring to the SSC.

CHAPTER-III

PHYSICAL TARGETS AND ACHIEVEMENTS

The following statement showing the targets fixed for various Schemes/Projects/Programmes during 2013-14 and the achievements made thereon was furnished to the Committee.

Sl.No.	Name of the Scheme/Project/Programme	Targets	Achievements
1	2		
	A. Village & Small Industry		
1	Handlooms		
(i)	Handloom Weavers Comprehensive Welfare Scheme with the Components of - a) Health Insurance Scheme b) Mahatma Gandhi Bunkar Bima Yojana	17.49 lakh enrollments including renewals (HIS)	17.49 lakh enrollments including renewals (HIS)
		7.00 lakh enrollments including renewals (MGBBY)	5.99 lakh enrollments including renewals (MGBBY)
		200000 weavers of Credit Cards issued	71643 weavers of Credit Cards issued
(ii)	Yarn Supply Scheme/Mill Gate Price Scheme	1100 Yarn Supply through NHDC	1262 Yarn Supply through NHDC
iv	National Handloom Development Programme- Central Component	10440 beneficiaries given training	1040 beneficiaries given training
v	(i) Revival Reform & Restructuring Package for the Handloom Sector	2700 Co-operative societies covered under Financial Package	9683 PWCS, 6310 Self Help Group and 52375 individual weavers covered under

			Financial Package
vi	(i) Comprehensive Handloom Development Scheme (CHDS). It also includes the components of following two schemes in 2013-14. These two schemes were Centrally Sponsored Schemes in past years.	4500 new looms and accessories provided or upgraded in the Clusters.	28940 new looms and accessories provided or upgraded in the Clusters.
vii	Integrated Handloom Development Scheme	5 New/upgraded Common Facility Centres (CFC)/ Dye Houses in the Clusters.	17 New/upgraded Common Facility Centres (CFC)/ Dye Houses in the Clusters.
viii	Integrated handloom development scheme	60000 Yarn Pass Book Issued	43290 Yarn Pass Book Issued
ix	Marketing & Export Promotion Scheme	--	--
		10000 designs provided through website and professionally qualified designers	1050 designs provided through website and professionally qualified designers
		13000 Buyer-Seller Meets / national/ international fairs participated in.	18500 Buyer-Seller Meets / national/ international fairs participated in.
		--	--
		2 Setting up of Urban Haats	2 Setting up of Urban Haats
2	Handicrafts		
(i)	Baba Saheb Ambedkar Hastshilp Vikas Yojana (AHVY)	108 Adoption of new clusters for Technical , marketing and financial support	116 Adoption of new clusters for Technical , marketing and financial support
(ii)	Design & Technical Upgradation Scheme	4948 new designs developed	7150 new designs developed

(iii)	Marketing Support & Services & Export Promotion Scheme	4182 US\$ Million exports	5274.09 US\$ Million exports
(iv)	Human Resource Development	8800 artisans trained	17875 artisans trained
(v)	(vi) Handicraft Artisans Comprehensive Welfare Scheme	4.95 lakh Health Insurance coverage	--
(vi)	Infrastructure & Tchnology Development Scheme	270	400
3	Wool & Woollens		
	(i) Social Security Scheme	4 % Increase in production of woolen textiles over previous year (sq. metres)	5 % Increase in production of woolen textiles over previous year (sq. metres)
	(ii) Integrated Wool Improvement and Development Programme (IWIDP/IWF)	16 lakh Sheep to be covered under IWIDP	18.15 lakh Sheep to be covered under IWIDP
	(iii) Quality Processing of Wool & Woollen Scheme	4 %age increase in export of woolen products over previous year (US \$ Bn.)	05 %age increase in export of woolen products over previous year (US \$ Bn.)
	To improve the quality and quantity of the Pashmina wool through the implmention of Pashmina wool & development scheme under (IWIDP)	1.75 lakh Pashmina goats to be covered under Pashmina Wool Development Scheme	2 lakh Pashmina goats to be covered under Pashmina Wool Development Scheme
	Feed Supplement to weak & breedable sheep and pashmina goats during adverse period of dry, rain fed and cold areas.	0.9 lakh sheep & pashmina goats to be benefited under nutrition support	1.15 lakh sheep & pashmina goats to be benefited under nutrition support
	Insurance coverage to Sheep Breeders under Social Security Scheme	0.18 lakh sheep breeders to be insured under insurance scheme	0.356 lakh sheep breeders to be insured under insurance scheme

4	Sericulture		
i	Research & Development, Training, Transfer of Technology & IT Initiatives	38 ongoing Research Projects to be concluded	42 ongoing Research Projects to be concluded
ii	Seed Organisation	24800 m tons Raw Silk production in the Country	2576 m tons Raw Silk production in the Country
iii	Coordination & HRD	--	--
iv	Quality Certification Systems	2000 m tons Raw Silk Production in Chhattisgarh, J&K, Jharkhand, HP	2512 m tons Raw Silk Production in Chhattisgarh, J&K, Jharkhand, HP
v	Export Promotion, Brand Promotion and Infrastructure Upgradations by ISEPC & SMOI	Rs. 2800 crore exports	Rs. 2481 crore exports
vi	Catalytic Development Programme (CDP)	3580 m. tons Raw Silk Production in North East States	4600 m. tons Raw Silk Production in North East States
5	Powerlooms		
	Technology Upgradation under TUFs	800	3032
	(ii) Setting up of Powerloom Megacluster at Ichalkaranji	7 Cluster Covered	10 Cluster Covered
	(ii) Group Insurance Scheme	72000 Weavers/Workers enrolled under Group Insurance Thousan Scheme	146000 Weavers/Workers enrolled under Group Insurance Thousan Scheme
	(iii) Group Workshed Scheme	15 Projects to be completed by 31.03.2013.	6 Projects to be completed by 31.03.2013.
	B. INDUSTRY & MINERAL		
1	NIFT	250 Faculty trained	408 Faculty trained

2	R & D including TRAs**	18 Completion of Ongoing Research Projects sanctioned as on 31.03.2012	15 Completion of Ongoing Research Projects sanctioned as on 31.03.2012
3	Technology Upgradation Fund Scheme (TUFS)	Rs. 10800 crore Investments under TUFS	
		8 lakh Capacity addition under TUFS	
		11000 looms Capacity addition under TUFS	
		--	--
		4 % Increase in Yarn production	6 % Increase in Yarn production
		4 % Increase in fabric production	3 % Increase in fabric production
4	Scheme for Integrated Textile Park (SITP)	9 Completion of new parks (25% of units starting production)	0
		9 units gone for commercial production	18 units gone for commercial production
5	Export Promotion Studies	33 US\$ Bn. volume of Exports	38.67 US\$ Bn. volume of Exports
7	Technical Textiles/(TMTT)	90 % Achievement of deliverables as per MOU in respect of all COEs	99.57 % Achievement of deliverables as per MOU in respect of all COEs
	Others (Identification of HS codes for technical textiles items, Standards for technical textiles, Export market intelligence, Study to generate data on hospital related infections) [These schemes were initiated in 2012-13.]	90 % Revenue generated by the COEs as per targets in MOU	77.71 % Revenue generated by the COEs as per targets in MOU

		30 Technical Textile units registered with Office of Textile Commissioner under TMTT	26 Technical Textile units registered with Office of Textile Commissioner under TMTT
	MM-I (Part-2) establishment of 4 New CoEs and Sanction of their DPR	-	-
	MM-II (Part-1) Providing support to business start-up	-	-
8	Human Resources Development (ISDS)	135000 persons trained	138515 persons trained
9	Common Compliance Code	175 factories to be made fully compliant.	200 factories to be made fully compliant.
11	Jute Technology Mission		
	Implementation of JTM –MM-IV	330 mn US\$ Targetted export for 2013-14	345 mn US\$ Targetted export for 2013-14
	b. INDUSTRY (New Scheme)		
1	Technical Textiles		
i	Scheme for Usage of Geotextiles in North Eastern Region	28.02.2014	31.3.2014
ii	Scheme for promoting Agro textiles in North East	--	--
5	NER Textile Promotion Scheme	3	5
8	Workers Hostel		
9	Incubation		

3.2 As would be observed from the above Statement, in many of the Schemes, the Ministry exceeded the targets fixed during 2013-14. However, there have been shortfalls in the achievements of targets in six Schemes as detailed below:

Physical Targets of Achievements

<u>Scheme</u>	<u>Target</u>	<u>Achievement</u>
(i) Integrated Handloom Scheme	Issue of 60,000 yarn pass books	43,290 pass books issued
(ii) Handicraft Artisans Comprehensive Welfare Scheme	4.95 lakh Health Insurance Coverage Scheme	NIL
(iii) Group Workshed (Powerloom) Scheme	Completion of 15 Projects	6 Projects completed
(iv) Technology Upgradation Fund Scheme (TUFS)	Rs. 10,800 crore investment	NIL
	8 lakh capacity addition	NIL
	11000 looms capacity addition	NIL
	4 % increase in fabric production	3% increase
(v) Scheme for Integrated Textile Park	Completion of 9 parks	NIL
(vi) Technical Textiles (Identification of HS codes for Technical Textile items, Standards, Export market intelligence etc.	90 per cent Revenue generation	77.71 per cent Revenue generation

3.3 In the above context, when the Committee enquired about the reasons for shortfalls in the achievements of targets in the above cited Schemes particularly in handicrafts artisans Comprehensive Welfare Scheme and TUFS, during 2013-14, the Ministry submitted that the number of yarn passbook issued during 2013-14 was 43,290 as against the target of 60,000. The reason for shortfall as reported by National Handloom Development Corporation (NHDC) was that NHDC issued passbooks to individual weavers after verification report was submitted to NHDC by State Govt. The State Governments have taken considerable time for verification of weavers, which resulted in shortfall in targets. The Ministry further clarified that the shortfall in achievement of target for the Welfare scheme and consequent shortfall in expenditure occurred inter-alia due to changes in the mode of implementation and the delay in finalization of the RGSSBY Scheme for the 12th Plan. Regarding the NIL achievement reported against the output parameters of TUFS programme, the Ministry clarified that the data could be made available only after March, 2015 and therefore it might be noted as not available (NA) at present. With respect to SITP, the Ministry apprised that the target for completion as monitored by Performance Management Division, Cabinet Secretariat was 9 parks against which 2 were completed during the year.

3.4 Asked to spell out the corrective measures taken/proposed to ensure optimal achievement of targets in the above schemes/programmes during 2014-15, the Ministry apprised that weekly monitoring at the level of Secretary and the Joint Secretaries concerned has made it possible for the Ministry to meet its quarterly expenditure targets in 2014-15 and to maintain a consistent stream of proposals. Meetings were also being conducted at various levels with the officials of State Governments for timely execution of the projects in addition to regular reviews through e-Samiksha wherever appropriate.

3.5 The Committee then asked whether there were any instances where there was surrender of funds under any Scheme, but the physical achievement was optimal and if so, the justification of achievement of target with lesser utilization of funds. In reply, the Ministry clarified as under:

“Yes. Although under Handloom Weavers Comprehensive Welfare Scheme (HWCWS), there was surrender of funds but enrollment of weavers under Health Insurance Scheme (HIS) was 17.50 lakh weavers’ families and 5.99 lakh under Mahatma Gandhi Bunkar Bima Yojana (MGBBY), which is optimal figure. The funds were surrendered due to non-submission of bills by Implementing agency in time. In the handicrafts sector, there were savings due to rational utilization of funds, that except for Welfare Scheme, the physical targets in other schemes were duly achieved”.

TEXTILE EXPORT TARGETS AND ACHIEVEMENTS

3.6 The following statement showing the textile export target and achievements during 2012-13 and the target fixed for 2013-14 was furnished to the Committee:

	2012-2013		
Council	Targets	Achievement	Targets for 2013-14
RMG	18000	12391	17000
Cotton Textiles	9000	7517	12000
Man-Made Textiles	6100	5043	6000
Handloom	400	490	602
Woolen Textiles	750	418	500
Silk Textiles	500	406	500
Handicrafts#	3300	3305	5000
Jute	500	387	450
Carpet	1050	986	1146

3.7 As may be seen from the above statement, there were shortfalls in the export of RMG, cotton textiles, man-made textiles, woolen textiles, silk textiles, jute and carpet during 2012-13. In this context, the Committee desired to know the achievements made in the export of above cited items during 2013-14 and the reasons for shortfalls, if any. In reply, the Ministry stated that the target for

completion as monitored by Performance Management Division, Cabinet Secretariat for 2013-14 was US \$ 34 billion against which achievement was US \$ 39.31 billion. Textiles (including Handicrafts) exports during 2013-14 registered a growth of 13 % in US\$ terms and 26% in Rupee terms. Total textile and clothing (DGCIS data) including and Handicraft (EPCH data) exports during 2013-14 was US\$ 39,310.88 million as against US\$ 34,930.05 million in 2012-13. In Rupee terms, it was 2,38,422.87 crore in 2013-14 against 1,89,940.65 crore in 2012-13. Readymade garments registered a growth of 16%, man-made textiles 13% and cotton textiles 11 % in US\$ terms.

3.8 The Ministry further stated that they significantly stepped up external economic engagement with the other countries and negotiated a number of bilateral agreements to gain significant market access. Various procedural bottlenecks in exports were also addressed while supporting the textiles exports sector through various provisions of the Foreign Trade Policy and the other policy initiatives to enable the sector to increase market share in the global textiles markets. As a result of focused efforts made by the Ministry of Textiles, not only the declining trend of textile exports in earlier year was arrested but a significant growth in export was witnessed during 2013-14.

3.9 The Committee then enquired about the specific and effective measures taken/contemplated by the Ministry to ensure optimal export achievement during 2014-15. In response, the Ministry submitted as under:

“Textiles (including Handicrafts) exports during 2013-14 registered a growth of 13 % in US\$ terms and 26% in Rupee terms. Total textile and clothing (DGCIS data) including and Handicraft (EPCH data) exports during 2013-14 was US\$ 39,310.88 million as against US\$ 34,930.05 million in 2012-13. In Rupee terms, it is 2,38,422.87 crore in 2013-14 against 1,89,940.65 crore in 2012-13. Readymade garments registered a growth of 16%, man-made textiles 13% and cotton textiles 11 % in US\$ terms.”

3.10 The Ministry further apprised that during 2014-15, the following steps have been taken up to boost the exports:-

- Duty free entitlement for import of trimmings, embellishments and other specified items from 3 percent to 5 percent of the value of their exports.
- Initiation of measures to extend the existing 24x7 customs clearance facility to 13 more airports in respect of all export goods and to 14 more sea ports in respect of specified import and export goods. This is expected to aid faster clearance of import and export cargo, reduce transaction costs and improve business competitiveness.

3.11 On the issue of promoting exports, the Secretary, Ministry of Textiles apprised the Committee in evidence:

“...Recently a mega expo was held in the Greater NOIDA. We found that there was very encouraging response from the exporters. Handicraft export is giving a very good growth. We will try to go for production of that particular type of item. We will organise the training and try to link up the marketing with the existing thing.”

3.12 Another representative of the Ministry submitted that the leading exporters of embroidery, metal wear and hand-woven carpets were of the view that they were not getting adequate trained manpower as the latter were getting better remuneration elsewhere. The Ministry, therefore, asked the exporters to re-identify the leading export products and thereafter a large scale training programme would be conducted to boost export.

3.13 In reply to a specific query of the Committee, a representative of the Ministry submitted that there were 15 campuses of the National Institute of Fashion Technology (NIFT) all over the country, during the year 2013-14, 1960 students passed from the NIFT. Citing example of the Jodhpur NIFT cluster, the representative of the Ministry apprised the Committee that earlier there was not much demand for the wooden works design developed by the Jodhpur cluster. But soon after some of the designers from Indonesia working in National Centre for Design and Product Development (NCDPP) in Delhi assisted in the development of

wooden works design and displayed the models in an exhibition, the order booking increased manifold.

3.14 The Secretary, Textiles submitted that by amalgamating handicrafts and handlooms with fashion, new products were being developed which were getting encouraging response within and outside the country. Reputed designers like Sabyasachi Mukherjee, Ritu Kumar etc. were being consulted and based on their inputs/suggestions, products were being developed according to the need of the industry. The Secretary assured that the students of NIFT and the rural women engaged in handicraft and handloom products would be involved and get benefitted by the initiatives undertaken by the Ministry.

3.15 On the issue of implementation of the health insurance scheme, type of beneficiaries and scope of coverage, the Ministry stated that implementation of the health insurance Scheme has been approved by CCEA to be implemented by the Ministry of Labour and Employment. Hence the scheme would be implemented as per the guidelines of Rashtriya Swasthya Bima Yojana (RSBY) . Clarifications in respect of other issues raised by the Committee regarding inclusion of type of beneficiaries and scope of coverage were being taken up with Ministry of Labour and Employment.

3.16 The Committee asked in evidence whether the coverage of handloom weavers under RSBY was based on poverty line restriction. In reply, the Secretary, Ministry of Textiles submitted as under:

“All handloom weavers are covered irrespective of whether they belong to APL or BPL. That is one part of the thing. If someone suffers from cancer and other type of diseases, then the financial implication is more than Rs. 30,000/-”

3.17 Asked to state whether Rs.30,000/- was sufficient for treatment of cancer and other chronic diseases, the Secretary, Ministry of Textiles responded:

“We will try to seek other financial assistance scheme for covering more chronic diseases.”

3.18 As regards ensuring uninterrupted supply of power for strengthening powerloom sector, the Ministry submitted that they had taken up the issue with the State Governments for ensuring uninterrupted power supply to the handloom sector.

3.19 Expressing their concern over the serious problems being faced by the Jute Industry workers and jute growers and the marginalisation of the role of Jute Corporation of India, the Committee desired to know the measures taken by the Ministry to address the issues. The Textiles Secretary, in response, submitted in evidence:

“We have taken note of the situation. We are very sincerely trying to address the issue. I had gone to Kolkata and met the Chief Secretary and addressed the stakeholders starting from the growers, workers, mill owners as well as the employees. Our Minister and the Minister of Commerce had also gone to Kolkata and had similar discussions with the stakeholders. Jute is now mainly grown in two countries: Bangladesh and India. It is a natural fibre. The competition is bound to be between natural fibre and manmade fibre, which is plastic. Traditionally, jute is mainly used as bag for putting paddy and rice. Earlier, sugar was there; now it has gone to plastic industry. So, the point is that so long as we go on using jute mainly as a bag, it becomes extremely difficult to become viable. So, the main emphasis is to diversify and go for a new range of products. That is what the industry’s future is.”

3.20 The Committee then pointed out that since jute was one of the important foreign exchange earners and all over the world, only India and Bangladesh were producing jute, it was all the more important to protect the interest of the Jute workers and growers and not to dilute the Act. In reply, the Textiles Secretary deposed:

“We are pursuing both the things. In fact, the problem created immediately is that the order passed by the Punjab Government last year has substantially impacted the jute industry. So, we have requested the Punjab Government to come back to last year’s position. We have requested West Bengal and other States that in addition to paddy whatever is locally produced to be packaged in jute bags; and also for potato and vegetables I have personally spoken to the Chief Secretary and written to him.

Another concept is regarding use of jute textiles in the rural areas. We know about the PMGSY roads. Even though the capital cost is given by the Government of India, nothing is given for maintenance. The State

Governments do not have funds. When the road condition deteriorates, it becomes very difficult for rural areas. Now, a research has indicated that if they cover it with jute textiles, the longevity of the road increases substantially and the substantially higher cost of maintenance comes down. We are looking at all these various aspects and we will also take your advice.”

3.21 So far as safeguarding the interest of jute growers and workers and implementation of Jute Packaging order and other related issues were concerned, the Ministry submitted as under:

“The Jute Packaging Material (Compulsory Use in Packaging Commodities) Act, 1987 has been enacted to provide for the compulsory use of jute packaging material in the supply and distribution of certain commodities, in the interests of production of raw jute and jute packaging material, and of persons engaged in the production thereof, and for matters connected therewith, with the provision that the commodity or class of commodities or percentage thereof in respect of which jute packaging materials may be used shall be decided on the basis of the recommendation of the Standing Advisory Committee which will take in to account the overall scenario, while making such recommendations.

It is observed that the demand for packaging and the production of reserved products has increased continuously over the past few years, even while the total production of jute goods has remained stagnant. This has resulted in mills diverting capacities from non-sacking products such as hessian, CBC etc. to sacking, and is giving scant attention to investments in technology upgradation for diversification to higher value added items. Due to the availability of a reliable and secure market with guaranteed returns for the reserved items, the jute industry, over the years, has not diversified sufficiently into non-reserved sacking, non-sacking items. The captive domestic market for sacking has reduced the

importance of export, hitting the diversification of jute products by the composite mills and been a bottleneck to modernization. A negligible portion of the annual turnover of jute mills goes into purchase of new machines. All new machines inducted are usually meant for increasing sacking capacities, as evidenced from the offtake under the Technology Upgradation Fund and under Mini Mission IV of the Jute Technology Mission. Continuation of 100% reservation with a continually increasing Government requirement defeats the objectives of the Technology Mission and diverts manufacturing capacity to low value products. This again leads to lower profits for raw jute growers, lower incentive for growing jute and consequently shrinking acreage under jute cultivation. The Ministry sees the need to reduce the percentage of reservation in order to ensure product diversification, as over-reliance on sacking backed by ever-increasing Government demand is counter-productive to the sector's interests in the long run.

While recommending norms for Jute Packaging Material for foodgrains and sugar for the jute year 2014-15, these issues were also considered by the Standing Advisory Committee, wherein, it was inter-alia decided that the plastic bags for packaging of foodgrains would be used only when the jute mills would not be able to supply the indented jute bags. Government is regularly reviewing the situation prevailing in jute sector and taking all necessary steps for the benefit of various stakeholders including jute growers and workers.”

PART-II**OBSERVATIONS/RECOMMENDATIONS**

1. The Committee are concerned to note that the actual expenditure *vis-à-vis* the BE and RE of the Ministry has been consistently short under both Plan and Non-Plan heads. Receipt of lesser number of proposals and pending Utilization Certificates have been attributed as the reasons for lesser utilization of funds under Plan head. Similarly, for shortfalls in Expenditure under Non-Plan head, the Ministry have submitted that it was due to economic measures, receipt of less demand and no Minimum Support Price (MSP) operation in cotton. In order to ensure receipt of sufficient number of proposals in 2014-15 so as to maximize utilization of the allocated funds, the Ministry are reportedly taking a number of measures which *inter-alia* include weekly monitoring at the level of Secretary and Joint Secretaries concerned; meeting of the Minister of Textiles with Textile Ministers of all the States for explaining the objectives and funding pattern of the schemes; Secretary, Textile's demi official address to the Chief Secretaries of the States etc. Appreciating the measures initiated which are in right direction, the Committee impress upon the Ministry to further strengthen the monitoring system and intensify interaction with the State Governments so as to ensure receipt of sufficient proposals in the 2014-15 fiscal year which surely would result in optimal utilization of the budgetary provisions.

2. The Committee find that funds are given to the Implementing Agencies such as Central/State Corporations, NGOs etc. who are responsible for timely utilization of Grants while implementing various projects and regular submission of Utilization Certifications. According to the Ministry, many a time, the Implementing Agencies are not able to get complete information in time from the field formations for which submission of Utilization Certificates get delayed. The Ministry have further apprised that in certain schemes like Scheme for Integrated Textile Parks (SITP), delays in the implementation of the projects have occurred due to failure of the State Governments in according environmental clearance and providing power and water infrastructure. Hence, submission of Utilization Certificates has been delayed. To obviate such impediments, the Ministry are reportedly requesting the State Governments from time to time to expeditiously release funds to the Implementing Agencies for timely implementation of projects. The Ministry have also submitted that the new Centre-State Coordination Portal of the Cabinet Secretariat *i.e.* e-Samiksha is being effectively used to follow up with the State Governments on timely implementation of projects ensuring thereby regular submission of Utilization Certificates. Moreover, the Ministry are proposing to stop grants to those Implementing Agencies which fail to submit the Utilization Certificates in time and conversely also consider grant of more projects to the compliant implementing agencies. Taking into consideration the fact that non submission of Utilization Certificates has resulted in consistent shortfalls in the utilization of budgetary provisions, the Committee urge the

Ministry to vigorously pursue the measures taken/proposed in unison with the State Governments so as to ensure maximum utilization of the funds allocated under Plan head in future. The Committee would particularly like the Ministry to accord greater import to e-Samiksha for regular monitoring and follow up with the State Governments to ensure timely completion of projects and consequent submission of Utilization Certificates.

3. The Committee are perturbed to note that during 2013-14, there was surrender of funds in as many as 50 schemes. What is more worrying is the fact that out of these 50 Plan schemes, there was hundred per cent surrender of funds in as many as 21 schemes viz. Handloom Weavers Comprehensive Welfare Scheme, NIFT Grants-in-aid; Textiles in NER; Health Insurance Scheme; Promoting Agro Textiles; Partial Modernization of Handloom; Integrated Powerloom Cluster Development Scheme; TUFs subsidies etc. Surprisingly, in each case the reason for surrender of funds has been attributed to non-receipt of viable proposals from the Implementing Agencies. The Committee are constrained to note that when asked to furnish the reasons for non-receipt of viable proposals, the Ministry again furnished the earlier statement, albeit in a different manner. As regards the mechanism put in place/proposed to ensure receipt of viable proposals, the Ministry are reportedly taking a number of measures which *inter-alia* include regular review meeting by the Textile Secretary to monitor overall progress and expenditure incurred under each scheme; electronic clearance of funds for various schemes etc. However, the Committee feel that the

measures initiated appear to be inadequate in view of the magnitude of the surrendered funds during 2013-14, which tantamount to bad budgeting. They, therefore, exhort the Ministry to embark upon new innovative and effective steps besides vigorously intensifying the measures already initiated so as to implement the projects in time and thereby avoid recurrence of the bad phenomenon of surrender of funds.

4. The Committee observe that there was surrender of funds in seven Non-Plan schemes during 2013-14 reportedly due to economic measures and non-filling of vacant posts. The Committee find that a meager amount of Rs.67.94 lakh was surrendered due to economic measures whereas a substantial amount of Rs.508.00 lakh was surrendered due to non-filling of vacant posts. In this context, the Committee were informed that 32 posts have been filled during 2014-15; 05 and 27 posts have been referred to the UPSC and the SSC respectively and 19 posts are under process of being referred to the SSC. In view of the quantum of funds surrendered during 2013-14 due to non-filling of vacant posts, the Committee impress upon the Ministry to expedite the process of filling up of the vacant posts to the maximum extent possible so that funds allocated under the non-plan head are gainfully utilized during the current fiscal and in future also.

5. The Committee are pleased to note that in many schemes, the Ministry have exceeded the physical targets fixed during the year 2013-14. However, notably in six schemes viz, Integrated Handloom Scheme; Handicrafts Artisans Comprehensive Welfare Scheme; Group Workshed (Powerloom) Scheme; Technology Upgradation Fund Scheme; Scheme for Integrated Textile Park; and Technical Textiles Scheme, the Ministry's performance has been poor. According to the Ministry such shortfalls occurred in the said Schemes due to varied reasons such as delay in verifications of the Weavers by the State Government; change in the mode of implementation and delay in finalization of the RGSSBY for the 12th Plans etc. The Committee are not convinced with the reasons adduced by the Ministry for shortfalls in the achievements of targets in some of the most important Schemes. The Committee are of the firm opinion that when the Textile Industry accounts for 14 percent of the Country's industrial production which is 4 percent of the GDP, it is imperative and incumbent upon the Ministry to achieve the physical targets set annually as well as during the Five Year Plan period. The Committee, therefore, recommend that the Ministry should resort to effective measures and ensure that procedural delays do not impede optimal achievement of physical targets in the current year as well as in future.

6. The Committee are surprised to note that there was surrender of funds under certain schemes but the achievements of physical targets set for those schemes has been hundred per cent. It implies that the financial planning for implementing those schemes has been irrational and unrealistic. The Ministry owe a cogent explanation in this regard.

7. The Committee are concerned to note that during 2012-13 there were shortfalls in the export of RMG, cotton textiles, man-made textiles, woolen textiles, silk textiles, jute and carpet. However, due to the focused efforts made by the Ministry, the declining trend of textile exports in the earlier year was arrested and a significant growth in export was witnessed during 2013-14. For example, against the export target of US \$34 billion during 2013-14, the achievement was US \$39.31 billion. Textiles (including handicrafts) exports during 2013-14 registered a growth of 13% in US\$ terms and 26% in Rupee terms. Readymade garments registered a growth of 16%, man-made textiles 13% and cotton textiles 11% in US\$ terms. In view of the fact that the textiles industry accounts for nearly 11% share of the Country's total exports basket, the Committee exhort the Ministry to maintain the momentum gathered in 2013-14 and continue to significantly step up external economic engagement with other countries and negotiate a number of bilateral agreements so that significant gains in the access/share in the global textile market are achieved in future also.

8. The Committee are happy to note that recently a mega expo on handicrafts was held in Greater Noida which got encouraging response from the exporters. The Committee would like the Ministry to organize more such mega expos in handicrafts, embroidery, metal wear and hand-woven carpets in future and conduct large scale training programmes to boost export of such items.

9. The Committee find that by amalgamating handicrafts and handlooms with fashion, new products are being developed which are getting encouraging response both within and outside the Country. Notably reputed designers are also being roped in to develop products according to the need of the Industry. As assured by the Secretary, Ministry of Textiles in evidence, the Committee recommend that the students of NIFT and the rural women engaged in handicrafts and handlooms products be involved in the development of new products so that they get benefited both professionally and financially.

10. The Committee note that all handloom weavers are covered under RSBY scheme irrespective of whether they belong to APL or BPL. However, the Committee are concerned to find that for treatment of cancer and other chronic diseases, a sum of Rs.30,000 only is being provided under the scheme. The Committee feel that the extant financial provision for treatment of dreaded diseases like cancer is too less. They, therefore, urge the Ministry to urgently look into the matter and take requisite measures to enhance the financial assistance to the handloom

weavers who suffer from such chronic diseases as within the financial limit of the RSBY, these diseases cannot be treated.

11. The Committee appreciate that a number of measures are being taken to address the problems of the jute industry workers and jute growers. In view of the fact that jute is one of the important foreign exchange earners and all over the world only India and Bangladesh are producing jute, the Committee impress upon the Ministry to continue according greater attention to this sector so as to effectively safeguard the interest of the jute workers and growers and promote the jute Industry in a big way and not to dilute the provisions of reservation as contained in 'The Jute Packaging Materials (Compulsory Use in Packaging Commodities) Act 1987'.

**New Delhi;
10th December, 2014**

19 Agrahayana, 1936(Saka) STANDING COMMITTEE ON LABOUR

**DR. VIRENDRA KUMAR
CHAIRPERSON**

Minutes of the Sixth Sitting of the Committee

The Committee sat on 27th October, 2014 from 1400 hrs. to 1630 hrs. in Room No.G-074, Parliament Library Building, New Delhi.

PRESENT

Dr. Virendra Kumar – Chairperson

MEMBERS**LOK SABHA**

2. Shri Rajesh Kumar Diwakar
3. Shri Ashok Dohare
4. Shri Satish Chandra Dubey
5. Shri Devajibhai Govindbhai Fatepara
6. Shri Rama Chandra Hansdah
7. Shri C.N. Jayadevan
8. Shri Bahadur Singh Koli
9. Shri Kaushalendra Kumar
10. Shri Hari Manjhi
11. Shri Hariom Singh Rathore
12. Shri Giriraj Singh
13. Shri Kodikunnil Suresh

RAJYA SABHA

14. Shri Aayanur Manjunatha
15. Shri Ranbir Singh Parjapati
16. Shri G.N. Ratanpuri
17. Shri Tapan Kumar Sen

SECRETARIAT

1. Shri Devender Singh - Joint Secretary
2. Shri Ashok Sajwan - Director
3. Shri D.R. Mohanty - Deputy Secretary
4. Smt. Archana Srivastva - Under Secretary

REPRESENTATIVES OF THE MINISTRY OF TEXTILES

1.	Shri Sanjay Kumar Panda	Secretary (Textiles)
2.	Shri B.P. Pandey	AS & FA
3.	Smt. Pushpa Subhramanyam	Joint Secretary
4.	Shri Sujit Gulati	Joint Secretary
5.	Smt. Monika S. Garg	Joint Secretary
6.	Smt. Sunaina Tomar	Joint Secretary
7.	Shri Dinesh Kumar	DC (Handlooms)
8.	Shri Shamir Kumar Biswas	DC (Handicrafts)
9.	Smt. Kiran Soni	Textile Commissioner
10.	Shri R.K. Sinha	CMD (NTC)
11.	Shri Pramod Nagpal	MD (CCIC)
12.	Shri Nirmal Sinha	CMD (HHEC)
13.	Shri B.K. Mishra	CMD (CCR Cotton)
14.	Shri Deepankar Mahto	Secretary, Jute
15.	Shri P.K. Gera	DG (NIFT)
16.	Smt. Ishita Roy	Secretary, Member (Silk)
17.	Shri Subrata Gupta	Jute Commissioner

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee. Apprising the Members of the sad demise of Shri Kapil Krishna Thakur, M.P and a Member of the Committee, the Committee expressed deep condolence and solidarity towards the bereaved family and stood in silence for a minute as a mark of respect for the departed soul.

3. The witnesses were then called in. Welcoming the Secretary, Ministry of Textiles and other accompanying officers to the sitting of the Committee, the Chairperson impressed upon them to keep the proceedings of the Committee confidential until the Report on the subject was presented to the House. The Chairperson then asked the Textile Secretary to give an overview of the Demands for Grants (2014-15) of his Ministry.

4. The Secretary, Textiles accordingly briefed the Committee on budgetary allocations, revised estimates etc. and also gave a power-point presentation on the Ministry's Demands for Grants (2014-15) covering *inter-alia* issues such as significance of the Textile sector, key elements of the strategy, financial performance in 2013-14 and projections for 2014-15, physical achievements in various schemes during the previous years and preparedness to achieve the targets set for 2014-15 etc.

5. The Members, thereafter, broadly asked questions and sought clarifications from the representatives of the Ministry on the following schemes of the Ministry:-

- (i) General Performance of the Ministry.
- (ii) Reasons of significant reductions in Budgetary Estimates for Plan Expenditure.
- (iii) Shortfall in Expenditure under various schemes.
- (iv) Setting up of and functioning of NIFT.
- (v) Various issues relating to Handloom/ Handicrafts/ Wool/ Silk.
- (vi) Jute Technology Mission/ Jute Mills.

The Secretary and other officers of the Ministry also responded to the queries raised by the Members.

6. As some points required detailed and statistical reply, the Chairperson asked the Secretary, Ministry of Textiles to furnish written reply thereon within ten days. The Secretary assured to comply.

7. The Chairperson then thanked the Secretary and other representatives of the Ministry for furnishing available 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.

Minutes of the Eleventh Sitting of the Committee

The Committee sat on 09th December, 2014 from 1500 hrs. to 1630 hrs. in Committee Room `E', Parliament House Annexe, New Delhi.

PRESENT

Dr. Virendra Kumar - Chairperson

MEMBERS**LOK SABHA**

2. Shri Rajesh Kumar Diwakar
3. Shri Satish Chandra Dubey
4. Dr. Boora Narsaiah Goud
5. Shri Bahadur Singh Koli
6. Shri R. Parthipan
7. Shri Hariom Singh Rathore
8. Shri Naba Kumar Sarania

RAJYA SABHA

9. Shri Tapan Kumar Sen

SECRETARIAT

1. Shri Ashok Sajwan - Director
2. Shri D.R. Mohanty - Deputy Secretary
3. Smt. Archana Srivastva - Under Secretary

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee and apprised them that the sitting had been convened to consider and adopt the Draft Reports on Demands for Grants (2014-15) of the Ministry of Labour and Employment and Ministry of Textiles. The Chairperson also observed that the concerns expressed by the Members during the evidence on various aspects of the Demands for Grants have been incorporated in the Draft Reports. The Chairperson then invited suggestions from the Members on the two Draft Reports.

3. XX XX XX

4. The Committee, thereafter, took up the Draft Report on Demands for Grants of the Ministry of Textiles for consideration. One of the Members suggested that at the end of the Recommendations one line regarding non-dilution of the Jute Packaging Materials (Compulsory Use in Packaging Commodities) Act 1987 be added. The Committee agreed to the addition and the Draft Report on Demands for Grants (2014-15) of the Ministry of Textiles was also adopted.

5. The Committee then authorized the Chairperson to finalise the Reports in the light of consequential changes that might arise out of factual verifications of the Draft Reports and to present the same to both the Houses.

The Committee then adjourned.

XX Do not pertain to this report