



**STANDING COMMITTEE ON LABOUR**

**(2014-15)**

**(SIXTEENTH LOK SABHA)**

**MINISTRY OF TEXTILES**

**DEMANDS FOR GRANTS**

**(2015-16)**

**EIGHTH REPORT**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

**April, 2015/Vaisakha, 1937 (Saka)**

**EIGHTH REPORT**

**STANDING COMMITTEE ON LABOUR  
(2014-15)**

**(SIXTEENTH LOK SABHA)**

**MINISTRY OF TEXTILES**

**DEMANDS FOR GRANTS  
(2015-16)**

*Presented to Lok Sabha on 23<sup>rd</sup> April, 2015*

*Laid in Rajya Sabha on 23<sup>rd</sup> April, 2015*



**LOK SABHA SECRETARIAT**

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**COMPOSITION OF THE STANDING COMMITTEE ON LABOUR  
(2014-15)**

**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. Dr. Boora Narsaiah Goud
7. Shri Rama Chandra Hansdah
8. Shri C.N. Jayadevan
9. Shri Bahadur Singh Koli
10. Shri Kaushalendra Kumar
11. Shri Hari Manjhi
12. Shri R. Parthipan
13. Shri Hariom Singh Rathore
14. Shri YS Avinash Reddy
15. Shri Naba Kumar Sarania (Hira)
16. Shri Kodikunnil Suresh
17. Shri Mulayam Singh Yadav
- \*18. Chh. Udayan Raje Bhonsle
- \*\*19. Dr. Arun Kumar
- \*\*\*20. Vacant
- \*\*\*\*21. Vacant

**RAJYA SABHA**

22. Shri D. Bandyopadhyay
23. Shri P. Kannan
24. Shri Aayanur Manjunatha
25. Haji Abdul Salam
26. Shri Tapan Kumar Sen
27. Shri R.K. Sinha
- \*\*\*\*\* 28. Shri Rajaram
- \*\*\*\*\* 29. Shri Ravi Prakash Verma
- \*\*\*\*\* 30. Shri P.L. Punia
- \*\*\*\*\* 31. Vacant

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- \* Nominated w.e.f. 7<sup>th</sup> October, 2014.
- \*\* Nominated w.e.f. 25<sup>th</sup> March, 2015.
- \*\*\* Vacancy occurred *vice* Shri Giriraj Singh appointed as Minister for State w.e.f. 9<sup>th</sup> November, 2014
- \*\*\*\* Vacancy occurred *vice* Shri Kapil Krishna Thakur expired on 13.10.2014.
- \*\*\*\*\* Re-nominated w.e.f. 8<sup>th</sup> January, 2015.
- \*\*\*\*\* Nominated w.e.f. 29<sup>th</sup> January, 2015.
- \*\*\*\*\* Nominated w.e.f. 12<sup>th</sup> March, 2015.
- \*\*\*\*\* Vacancy occurred *vice* Shri G.N. Ratanpuri retired from Rajya Sabha w.e.f. 15.2.2015. w.e.f. 25<sup>th</sup> March, 2015.

**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 Eighth Report on Demands for Grants (2015-2016) of the Ministry of Textiles.

2. The Committee considered the Demands for Grants pertaining to the Ministry of Textiles for the year 2015-16 which were laid on the Table of the House on 19<sup>th</sup> March, 2015. Thereafter, the Committee took evidence of the representatives of the Ministry of Textiles on 1<sup>st</sup> April, 2015. The Committee considered and adopted the Report at their sitting held on 22<sup>nd</sup> April, 2015

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. 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;**  
**22<sup>nd</sup> April, 2015**  
**2 Vaisakha, 1937 (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 make 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.

1.4 The new initiatives undertaken by the Ministry in 2014-15 are as follows:-

- State Minister's Conference held on 24.9.2014 in which  
16 States participated.
  - 54 Women sericulturists felicitated on 17.9.2014
  - One day Conference on "Women Empowerment through Sericulture".
  - Minimum Support Operations for safeguarding interest of cotton growers done successfully
  - Online payment to the cotton farmers
  - NTC Mills making profit
- Special legislation for overcoming legal hurdles. Ordinance promulgated on 24.10.2014, later replaced with by an Act of Parliament.
- Modern Apparel and Garment Centre in each NE State  
Announced by Hon'ble Prime Minister on 1st December, 2014.  
Foundation stone laid in Nagaland, Manipur, Sikkim to be completed in 3-4 months
  - New Scheme launched for promotion of geotextiles in the North-East
  - 20 New Integrated Textile Parks sanctioned.



1.5 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 2015-16 are given under Demand No.96. The detailed Demands for Grants of the Ministry were laid on the Table of the Lok Sabha on 19<sup>th</sup> March, 2015. The Budget Estimate of the Ministry showing Plan and Non-Plan expenditure for the year 2015-16 is as under:

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

	<b>Plan</b>	<b>Non-Plan</b>	<b>Total</b>
<b>Revenue</b>			
Voted	3438.32	697.78	4136.1
Charged	-	-	-
<b>Capital</b>			
Voted	85.00	53.71	138.70
Charged	-	-	-
<b>Grand Total</b>	<b>3523.32</b>	<b>751.48</b>	<b>4274.8</b>

**II. ANNUAL PLAN 2015-16**

2.2 Asked to furnish the details of the Budget proposals of the Ministry for the year 2015-16 and the amount actually provided by the Ministry of Finance, the following detailed information was furnished to the Committee:

Name of Demand	Ministry of Textiles	Ppsd BE 15-16	Rationalized Sub-Heads	Allocated 2015-16 BE	
	Detailed heads (to be rationalized in DDF)				
Central Sector Schemes	PL Devt Scheme-[9307]	121.95	Powerloom Promotion Schemes	0.01	
	PL HIS-[9098]			0.01	
	POWERLOOMS-[1074]				
	(a) Group Insurance Scheme			1.32	
	(b) Group Workshed Scheme			5.61	
	(c ) Development of Modern Powerloom Cluster			0.01	
	(d) Intergrated Scheme for Powerloom Sector Development			3.96	
	(e) Pilot initiative regarding venture Capital Text Fund			3.80	
	TUFS-[1078]			3106.68	1520.79
	OTHERS (Powerlooms)				
	Scheme for Insitut Upgradation-[9099]		11.55		
	<b>Sub Tot(Powerlooms)</b>	<b>3228.63</b>	<b>1547.06</b>		
	SITP-[1079]	1025.05	Textile infrastructure and Mega-Clusters	240.00	
	Workers Hostel-[9310]			3.30	
	IPDS- [9102]			50.00	
	Setting up of 5 Megaclusters [9364]			100.00	
	Incubation-[9312]			4.62	
	Mega Clusters Textiles-[1262]				
	(a) CHDS- Handloom Mega Cluster			6.60	
	(b)CHDS- Handicraft Mega Cluster			8.58	
	(c ) CPCDS- Powerloom Mega Cluster			5.61	
	Devt of Megaclusters			136.21	
	<b>Sub Tot (Tex Infra Megacluster )</b>	<b>1205.69</b>	<b>554.92</b>		
	SVPITM-[1082]	1172.015	R&D and Institutional Development	0.01	
	Common Compliance Code-[1087]			1.32	
	Technical Textiles-[1711]			25.00	
	NCUTE -[1673]			0.01	
	Export Promotion Studies-[1081]			4.00	
	R&D including TRAS-[1077]			40.00	
	ISDS-[1088]			201.00	
	OTHERS (Identification of HS Codes-[9306]			0.01	
	<b>(SubTot( R&amp;D/Instnl Dev)</b>			<b>1172.02</b>	<b>271.35</b>
	Pashmina Wool Devt Prog[9363]			22.74	Development of Woolen Textiles
	Wool & Woollens Social Security Scheme-[1709]	0.33			
	Wool & Woollens (Others)	0.01			
	Integted Wool Improvmnt & Devt Prog[1445]	6.11			
	Quality Processing of Wool & Woolen-[1446]	0.17			

<b>SubTot( Wool)</b>	<b>22.74</b>		<b>36.62</b>
R&D,Trg, Seed Org & HRD,Quality Certification System-[1073]			
(a) (R&D), (Training & Initiative)			14.67
(b) Seed Organisation			10.00
(c ) Quality Certificate System	208.20	<b>Development of Silk textiles</b>	0.13
(d) Co-ordination and Market Development (HRD)			3.00
Catalytic Programme for Sericulture			150.00
Exp Promotn, Brand Promotn & ISEPC & SMOI- [1675]			0.30
<b>Sub Tot(Silk Textiles)</b>	<b>208.20</b>		<b>178.10</b>
JTM 2-[9308]			<b>Development of Jute Textiles</b>
JTM-[1080]	0.01	0.01	
Housing Scheme for Jute Mill Wrkrs-[9309]		0.01	
<b>Sub Tot(Jute Textiles)</b>	<b>0.01</b>	<b>0.03</b>	
NIFT-[1076]	77.12	<b>NIFT</b>	74.00
<b>Sub Tot(NIFT)</b>	<b>77.12</b>		<b>74.00</b>
HL WEAVER WELFARE SCHEME - [1431]		<b>National Handloom Development Programme</b>	20.00
NHDP CS-[9305]	1294.28		150.00
NHDP CSS component			0.00
MILGATE PRICE SCHEME(MPS)- [1432]			150.00
Trade facilitation center			80.00
<b>Sub(Handloom)</b>	<b>1294.28</b>		<b>400.00</b>
AHVVY -[1435]		<b>National Handicraft Development Programme</b>	3.00
DTU SCHEME- [1434]			27.00
MKTG SUPPORT AND SERVICES - [1484]			56.00
R&D (HANDICRAFTS)-[1491]			7.00
DEVT OF OTHER CRAFT IN J AND K-[9361]	285.39		20.00
HC ARTISANS COMPREHENSIVE WELFARE SCHEME-[1438]			8.00
SETTING UP OF HAST KALA ACADEMY -[9362]			50.00
ITDP SCHEME-[9097]			9.24
HRD HANDICRAFTS-[1440]			24.00
<b>Sub Tot( Handicraft)</b>	<b>285.39</b>		<b>204.24</b>
AGROTEXTILES IN NER-[9101]			<b>Development of Textiles in North East</b>
GEO TEXTILES IN NER[9100]	343.89	85.00	
NER-TEXTILE PROMOTION SCHEME-[9103]		157.00	
<b>Sub Tot(NE Textiles)</b>	<b>343.89</b>	<b>257.00</b>	
<b>Total</b>	<b>7818.11</b>		<b>3523.32</b>

Note: In the BE 2015-16, the allocation for NHDP and CDP (Silk) have been reallocated to Central Sector.

2.3 A perusal of the above statement revealed that against the Ministry's proposal of Rs.7818.11 crore for plan expenditure during 2015-16, the Ministry of Finance have approved an outlay of Rs.3523.32 crore only. Such reductions have been made in many Schemes, the most notable being Technology Upgradation Fund Scheme (TUFS); Setting up Mega Clusters in Bareilly, Lucknow, Kerala, Surat and Tripura; Research & Development, Training; Transfer of Technology & IT Initiatives; Handicrafts Mega Cluster, Handlooms Mega Cluster and Powerloom Mega Cluster; Catalytic Development Programme for Sericulture; and National Handloom Development Programme.

2.4 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.4294.79 crore and the extent to which such curtailment would impact the implementation of the ongoing and new schemes. In reply, the Ministry submitted as under:

"For the 12th Five Year Plan (2012-17), an outlay of Rs.25,931 crore was approved for the textile sector for five years. Keeping in view the actual expenditure in the first three years i.e. 2012-13, 2013-14 and 2014-15 (anticipated at the RE level), Ministry of Textiles had proposed an outlay of Rs.7818.11 cr for 2015-16 (BE) for achieving the objectives of 12th Plan. During 2012-13, 2013-14 and 2014-15, against budgetary outlays of Rs.7000 cr, Rs.4631 cr and Rs.4831 cr, expenditure has been to the tune of Rs.3615.61 cr (51.65%), Rs.3154.55 cr (68.12%) and Rs.3311 cr {94.62% (% of expenditure with RE)} respectively. During 2014-15, as a result of specific steps taken and close monitoring on weekly basis about 95% (94.62% under Plan and 97.20% under Non-Plan) of the provision made in RE 2014-15 could be spent. This is being pursued for making best use of public fund. The outlay for BE 2015-16 is required to be increased substantially which the Standing Committee may kindly consider while making its recommendations."

2.5 The Ministry further stated that the reduced allocations during 2015-16 for some major schemes like ISDS, SITP, TUFS, Geotextiles and Agro textiles might dampen the promotion of Textile Industry and the developmental and skill development activities in both organized and unorganized segment.

### **III. 12<sup>TH</sup> PLAN APPROVED OUTLAY AND EXPENDITURE**

2.6 It has been observed from the documents furnished to the Committee that the proposed Outlay by the Ministry of Textiles during the 12<sup>th</sup> Five Year Plan was Rs.40203.19 crore whereas the Approved Outlay was Rs.25931 crore. The cumulative Expenditure from 2012-13 to 2014-15 (as on 13<sup>th</sup> Feb., 2015) has been Rs.9561.65 crore.

2.7 In the above context, the Committee asked whether the Ministry would be able to utilise the remaining amount of Rs.16369.35 crore in the last two years of the Plan period i.e. 2015-16 and 2016-2017 especially when in the first three years of the Plan period the utilisation of the approved outlay had been less than 40 per cent. In reply, the Ministry stated as under:

"There is a stepwise procedure and consequent time lag involved in implementation of schemes from concept stage to identifying the components/sub-components/beneficiaries, in-principle approval, SFC/EFC, formulation of guidelines in consultation with the State Governments, preparation of DPRs, approval of the empowered committee comprising representatives of other Ministries/Departments which precedes sanction and releases to Implementing Agencies such as Central/ State Corporations, NGOs under various schemes. At the end of the 3<sup>rd</sup> year of the 12th Plan, all the major Schemes have been firmed up after due procedures. In fact, the Ministry has accelerated sanctions and expenditure in the current financial year under all its schemes and has succeeded in incurring expenditure of up

to 95% of revised estimate for 2014-15. All efforts will be made to sustain this accelerated momentum into 2015-16 and 2016-17. While the cumulative expenditure for 2012-13 upto 2014-15 may have remained lower in initial half of the plan period, it is expected to register an upward trend in the latter half."

2.8 The Committee then desired to be apprised of the concrete plan of action on the part of the Ministry to optimally utilize the 12<sup>th</sup> Plan Approved Outlay in the remaining two years. In response, the Ministry submitted as under:

"Weekly Monitoring is being done by Secretary in presence of all Senior Officers which has led to higher expenditure under most schemes of the Ministry. Under programs/schemes which require proposals from the State Governments, regular interaction with State Chief Secretaries through meetings and visits has been adopted as a mechanism to ensure regular flow of proposals from States and thereby maximize utilization of funds provided during the year. State Governments have also been requested from time to time to expeditiously release funds to the implementing agencies so that the progress of the sanctioned projects is not hampered. The Centre-State Co-ordination portal of the Cabinet Secretariat, e-Samiksha is being effectively used by the Ministry to follow up with the State Governments on timely implementation of projects and thereby enabling regular furnishing of utilization certificates by the implementing agencies. The Ministry is in process of amending the guidelines in light of ground realities, requirement of the State Governments and the changes necessitated upon restructuring of schemes by bringing NHDP (Handloom) and CDP (Silk) to central sector."

#### **IV. ALLOCATIONS AND UTILIZATION OF FUNDS DURING LAST THREE YEARS**

## 2.9 The following statement showing the scheme-wise details of Plan Outlay

Sl. No.	Name of the Scheme/ Project/ Programme	Annual Plan- 2012-13			Annual Plan- 2013-14			Annual Plan- 2014-15			2015-16
		BE	RE	Actual	BE	RE	Actual	BE	RE	Provisional	BE
1	2	3	4	5	6	7	8	9	10	11	12
	-										
	<b>HANDLOOM INDUSTRIES</b>										
1	Comprehensive Handloom Development Scheme			139.30	107.00	107.00	115.90			0.00	
2	Mill Gate Price Support/Yarn Supply Scheme	350.00	123.00	122.91	96.50	96.50	96.86	125.00	125.00	127.81	140.00
3	Marketing Promotion Programme	48.00	40.00	41.03				0.00	0.00		
4	Revival, Reforms & Restructuring of Handloom Sector	2205.00	550.00	291.03	157.00	253.00	269.79	0.00	0.00		
5	Lump sum provision for the benefit of North Eastern Region & Sikkim	355.00	135.00	0.00	61.50	90.50		106.00	83.90	0.00	40.00
6	Integrtd Handloom Development Scheme	170.00	131.00	0.00				0.00	0.00		
7	Handloom Weavers Comprehensive Welfare Scheme	105.00	105.00	127.01	65.00	65.00	66.00	55.00	27.50	42.25	15.00
8	Diversified Handloom Development Scheme	20.00	25.00	16.68				0.00	0.00		
9	National Handloom Development Programme						2.39	305.00	236.30	227.39	125.00
10	Trade Facilitation Centre & Craft	0	0	0.00	0.00	0.00	0.00	0.00	6.80	6.80	80.00
	<b>Total - Handloom Industries</b>	<b>3253.00</b>	<b>1109.00</b>	<b>737.96</b>	<b>487.00</b>	<b>612.00</b>	<b>550.94</b>	<b>591.00</b>	<b>479.50</b>	<b>404.25</b>	<b>400.00</b>
	<b>HANDICRAFTS INDUSTRIES</b>										
	Design & Technical Upgradation	11.00	14.00	18.88	20.00	24.70	30.80	23.00	14.00	16.17	25.00
	Baba Saheb Ambedkar Hastshilp Yojana	37.00	37.00	44.98	3.00	4.50	4.48	6.00	1.00	0.55	2.00
10	Marketing Support & Services	40.50	44.50	46.27	37.00	41.23	44.24	34.00	30.00	38.05	51.00
11	Research and Development	6.00	6.00	4.75	8.00	8.00	8.04	6.00	3.00	3.58	6.00
12	Lump sum provision for the benefit of North Eastern Region & Sikkim	48.00	48.00	0.00	39.00	43.65		23.00	20.00	0.00	17.00
13	Integrated Dev. Package for J & K	1.00			1.00			0.00	0.00	0.00	

and Expenditure during the last three years was furnished to the Committee:



14	Construction of Building including Handicrafts Bhawan/ Infrastructure and Technology Development	2.50	5.50	5.20	38.00	14.13	9.40	23.00	14.00	24.97	9.24
15	Handicraft Artisans Comprehensive Welfare Scheme	16.00	16.00	26.41	24.00	20.00	22.71	32.00	3.00	0.32	3.00
16	Human Resource Development	15.00	16.50	15.76	21.00	24.70	27.16	24.00	12.00	15.36	21.00
17	Development of other crafts in J&K							20.00	7.00	3.13	20.00
18	Setting up Hastkala Academy in Delhi							30.00	10.00	0.05	50.00
19	<b>Total - HANDICRAFTS</b>	<b>177.00</b>	<b>187.50</b>	<b>162.25</b>	<b>191.00</b>	<b>180.91</b>	<b>146.83</b>	<b>221.00</b>	<b>114.00</b>	<b>102.18</b>	<b>204.24</b>
20	<u>Wool Industries</u>										
	Wool Development Board	11.50	13.50	13.51	20.00	16.00	16.00	20.01	20.01	20.00	6.62
	Pashmina Wool Development Programme							30.00	1.00	1.00	30.00
21	NER	1.50	1.50							0.00	
22	<b>Total : Wool</b>	<b>13.00</b>	<b>15.00</b>	<b>13.51</b>	<b>20.00</b>	<b>16.00</b>	<b>16.00</b>	<b>50.01</b>	<b>21.01</b>	<b>21.00</b>	<b>36.62</b>
23	<u>SERICULTURE</u>										
	Grants towards administrative expenses	41.71	41.71	55.90						0.00	0.00
	Grants towards Development of Silk Industry (CDP)	142.40	178.29	202.10	213.00	196.63			5.53	5.53	
24	Research & Development, Training, Transfer of Technology & IT Initiatives				23.90	27.87	37.97	32.20	32.20	44.50	14.67
25	Seed Organization				9.00	22.60	26.64	24.56	24.56	30.56	9.00
26	Co-ordination & Market Development (HRD)				6.50	6.63	7.18	8.42	8.42	9.02	2.67
27	Quality Certification Systems				5.00	5.00	7.00	0.22	0.22	0.42	0.13
28	Catalytic Development Programme (CDP)						295.76	153.00	147.47	207.47	123.00
29	Export Promotion, Brand Promotion and Infrastructure Upgradations by ISEPC & SMOI				2.00	0.67	0.66	1.00	1.00	0.08	0.30
30	Lump sum provision for the benefit of NER & Silk worm	73.89	80.00		92.60	115.81		79.10	79.10	0.00	28.33
31	<b>Total - Sericulture</b>	<b>258.00</b>	<b>300.00</b>	<b>258.00</b>	<b>352.00</b>	<b>375.21</b>	<b>375.21</b>	<b>298.50</b>	<b>298.50</b>	<b>297.58</b>	<b>178.10</b>
32	<u>POWERLOOM INDUSTRIES</u>										
	Other Powerloom Service Centres								0.00		
	Support to Computer aided Design Centres( Integrated Scheme for Powerloom Development)	5.71	7.57	6.98	31.00	31.00	7.20	23.50	23.50	21.24	7.76
33	Group Workshed Scheme	4.21	4.21	3.46	11.00	11.00	2.41	17.00	17.00	16.40	5.61

34	Group Insurance Scheme	1.47	1.47	2.13	4.00	4.00	3.92	4.00	4.00	3.90	1.32
35	Scheme for In-Situ up-gradation of Plain Powerlooms				32.00	6.56		35.00	12.48	9.98	11.55
36	Health Insurance Scheme				5.00	1.65		5.00	1.00	0.00	0.01
37	Others							0.02	0.02	0.00	0.02
38	NER	0.61	0.61						0.00		
	<b>Total - Powerloom Services</b>	<b>12.00</b>	<b>13.86</b>	<b>12.57</b>	<b>83.00</b>	<b>54.21</b>	<b>13.53</b>	<b>84.52</b>	<b>58.00</b>	<b>51.52</b>	<b>26.27</b>
39	<b>COMSUMER INDUSTRIES</b>										
	<b>TEXTILES</b>										
	Grants to Institute of Fashion Technology	20.00	19.57	18.57	59.00	25.00	17.87	80.00	65.00	75.00	64.00
	<b>NIFT NER</b>				15.00	15.00		23.00	10.00	0.00	10.00
40	Research & Development in cluding TRAs	7.00	7.00	6.06	51.00	10.00	3.73	51.00	12.00	1.42	40.00
41	Grants for Studies	1.20	1.20	0.42	1.98	1.98	1.20	1.91	1.91	0.42	4.00
42	Technology Upgradation Fund Scheme (TUFS)	2775.80	2186.91	2144.82	2400.00	1956.16	1730.59	2300.00	1864.02	1883.12	1520.79
43	Cotton Technology Mission								0.00		
44	Lumpsum provision NER	189.00	165.89						0.00		
45	Scheme for Integrated Textile Parks	113.00	113.00	111.91	300.00	140.00	110.98	240.00	105.00	78.26	240.00
46	<b>Workers' Hostel</b>					5.00		14.00	2.00	1.50	3.30
47	Flatted Factory cum Incubators					5.00		10.00	4.00	8.00	4.62
48	Others					0.05		0.03	0.03	0.00	
	Instt. Of Textile Management				0.01			0.00	0.00		
	Brand Promotion							0.00	0.00		
49	Foreign Investment Promotion Scheme	0.01	0.01					0.00	0.00		
50	Integrated Processing Development Scheme				50.00	5.00		50.00	16.00	0.00	50.00
51	Fashion Hub								0.00		
52	Common Compliance Code	3.50	3.50	3.44	4.00			4.00	1.00	0.00	1.32
53	Human Resource Development	70.00	190	74.12	250.00	250.00	99.52	268.00	181.00	170.28	201.00
54	Technical Textiles Including Jute	29.20	29.20	29.91	43.00	30.00	22.57	43.00	32.00	30.18	25.00
55	Scheme for usage of Geo-textiles in North eastern Region				114.00	46.00		85.00	8.00	0.00	85.00
56	Scheme for promoting Agro Textiles in North East			0.32	18.00	9.00		10.00	9.00	9.00	15.00
57	Strengthening of Database of Technical Textiles Industry			0.16							0.01
58	NER Textile Promotion Scheme				115.00	70.00	2.86	157.00	126.00	116.25	157.00

	<b>TOTAL - Consumer Industries</b>	<b>3208.71</b>	<b>2716.28</b>	<b>2389.73</b>	<b>3420.99</b>	<b>2568.19</b>	<b>1989.32</b>	<b>3336.94</b>	<b>2436.96</b>	<b>2373.43</b>	<b>2421.04</b>
59	<b>JUTE</b>								0.00		
	Lumpsum provision for the benefit of NER	32.00	19.00						0.00		
	Jute Technology Mission	22.00	71.41	30.00	0.01	39.68	39.68	0.03	0.03	0.00	0.01
	Jute Technology Mission II										0.01
	Housing Scheme for Jute Mill Workers										0.01
60	Development of Mega Clusters	24.00	64.44	23.38	77.00	53.80	38.75	249.00	78.00	61.79	257.00
	Lum sum for NER							14.00	14.00	0.00	0.00
	NCUTE										0.01
	Sardar Vallabh Bhai Patel Institute of Technical Management (SVPITM)										0.01
61	New Scheme	0.29	3.51						0.00		
62	<b>TOTAL</b>	<b>78.29</b>	<b>158.36</b>	<b>53.38</b>	<b>77.01</b>	<b>93.48</b>	<b>78.43</b>	<b>263.03</b>	<b>92.03</b>	<b>61.79</b>	<b>257.05</b>
63	<b>Grand Total</b>	<b>7000.00</b>	<b>4500.00</b>	<b>3627.40</b>	<b>4631.00</b>	<b>3900.00</b>	<b>3170.26</b>	<b>4845.00</b>	<b>3500.00</b>	<b>3311.75</b>	<b>3523.32</b>

2.10 As would be seen from the above statement, during 2012-13 and 2013-14, there have been shortfalls to the tune of Rs.900 crore (approx.) and Rs.800 crore (approx.) respectively in the utilization of Plan Outlay vis-a-vis the RE Provisions. However, during 2014-15, the likely shortfall would be around Rs.190 crore only *vis-a-vis* the RE provision for that year. Despite the improvement in expenditure during 2014-15 in some major schemes like National Handloom Development, Mega Cluster, Research & Development, Integrated Processing Development, Scheme for Usage of Geo-textiles and setting up of Hastkala Academy the expenditure was either nil or abysmal during 2014-15.

2.11 In the above context, the Committee desired to know about the measures taken/proposed to remove the impediments faced during 2014-15 so as to maximize utilization of funds in the above schemes during 2015-16. In response, the Ministry submitted as under:

"Ministry of Finance instructed to observe the ceiling of 33% in the last quarter and 15% in the month of March, 2015. All the units of M/o Textiles were instructed round the year to strictly adhere to these

guidelines / instructions and kept their expenditure within the ceiling, thereby avoiding the rush of expenditure in the month of March, 2015. There is a surrender of Rs.1600.32 Crores (actual surrender including technical surrender of difference of RE&BE). The surrender is mainly due to non- approval of schemes."

2.12 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 per cent expenditure in the last quarter and 15 per cent in the month of March every financial year. In reply, the Ministry stated that implementation of Plan/Non-Plan scheme was being closely monitored every Monday on weekly basis for compliance with the instructions of Ministry of Finance regarding expenditure not exceeding 33% in the last quarter and 15% in the last month of the financial year. Relaxation of Ministry of Finance was obtained for booking the expenditure beyond the prescribed ceiling during the last quarter.

2.13 Responding to a specific query of the Committee regarding proper and even utilization of funds throughout the year, the Secretary, Ministry of Textiles submitted in evidence that he agreed with the suggestion of the Committee that there must be a professional approach towards utilization of funds and consequent achievement of targets. The Textile Secretary further deposed that there had been a remarkable improvement in the utilization of funds during 2014-15 vis-a-vis the preceding two fiscals.

**CHAPTER-III****PHYSICAL TARGETS AND ACHIEVEMENTS**

3.1 As regards the Physical target set during 2014-15 and the achievements made thereon, the following detailed Statement was furnished to the Committee:

<b>Sl.No.</b>	<b>Name of the Scheme/Project/Programme</b>	<b>Targets</b>	<b>Achievements</b>
1	2	<b>2014-15</b>	
	<b>A. Village &amp; Small Industry</b>		
1	<b>Handlooms</b>		
(i)	<b>Handloom Weavers Comprehensive Welfare Scheme</b> with the Components of - a) Health Insurance Scheme b) Mahatma Gandhi Bunkar Bima Yojana	(i) Health Insurance Scheme (HIS)- Enrolment of 17.5 lakh weavers families. (ii) Mahatma Gandhi Bunkar Bima Yojana (MGBBY)- Life insurance to 6.00 lakh weavers	(i) Health Insurance Scheme (HIS)- Enrolment of 17.5 lakh weavers families. (ii) Mahatma Gandhi Bunkar Bima Yojana (MGBBY)- Life insurance to 4.70 lakh weavers
			66134 weavers credit cards issued
(ii)	<b>Yarn Supply Scheme/Mill Gate Price Scheme</b>	1230 lakh kgs of yarn to be supplied	1251.23 lakh kg.
iv	National Handloom Development Programme- Central Component	(i) 1.5 lakh weavers (ii) 40000 weavers under cluster projects (iii) 3 new WSEs to be established (iv) 410 domestic and participation in 15 international fairs	(i) 0.50 lakh weavers
	<i>Marketing &amp; Export Promotion Scheme (CSS)</i>		
v	(i) Revival Reform & Restructuring Package for the Handloom Sector		
vi	(i) Comprehensive Handloom Development Scheme (CHDS). It also includes the components of following two schemes in 2013-14. These two schemes were Centrally Sponsered Schemes in past years.		

vii	Integrated Handloom Development Scheme	Merged in Comprehensive Handlooms Development Scheme (CHDS)	
viii	Integrated handloom development scheme		
ix	Marketing & Export Promotion Scheme		
2	<b>Handicrafts</b>		
(i)	Baba Saheb Ambedkar Hastshilp Vikas Yojana (AHVY)	100 new Clusters - 50 old clusters i.e. 150 clusters	Nil
(ii)	Design & Technical Upgradation Scheme	272 events	182 events
(iii)	Marketing Support & Services & Export Promotion Scheme	(i) Domestic : 195 Marketing events like Gandhi Shilp Bazar , Craft Bazar , Exhibition Urban Haat (ii) International - 60 events	Domestic : 255 Marketing events, International - 47 events
(iv)	Human Resource Development	Training Through Establishment Institutions - 4 Innovative Design - 38 Seminar/Workshop - 1 Guru Shishya Parampara - 83 Capacity Building - 135 94890 artisans to be trained under above activities)	162 programme
(v)	(vi) Handicraft Artisans Comprehensive Welfare Scheme	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 Janshree Bima Yojana in the year 2014-15.	(i) RGSSBY- Nil (ii) JBY-30,700 artisans covered
(vi)	Infrastructure & Tchnology Development Scheme	New Emporia (A class City) - 01 New Emporia rented bulding - 01 Renovation of Emporia - 01 Ware housing facility - 01 Marketing Hubs in Metro - 01 Design and Craft School - 01 Raw material Bank - 01 Testing laboratory -01 Integrated Handicrafts Park - 01	5 projects
(vii)	Research & Development	1. Research studies as per needs & requirement 2. Completion of Census of handicraft artisans.	(i) 12- studies (ii) 30 seminars/workshop

3	<b>Wool &amp; Woollens</b>		
	(i) Social Security Scheme	30,000 Shepherds	41392 shepherds (upto Mar'2015)
	(ii) Integrated Wool Improvement and Development Programme (IWIDP/IWF)	To benefit 10 lakh new and 18 lakh ongoing sheep, cover 75,000 sheep under Feed Supplement. Creating evolving Fund marketing of wool.	39 lakh sheep (21 lakhs new and 18 lakhs ongoing), and feed supplement to 40,000 sheep
	(iii) Quality Processing of Wool & Woollen Scheme	1 New Common Facility Centres for wool processing facilities.	1 New Common Facility Centres for wool processing facilities.
	To improve the quality and quantity of the Pashmina wool through the implementation of Pashmina wool & development scheme under (IWIDP)	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 (upto Mar'2015)
	Feed Supplement to weak & breedable sheep and pashmina goats during adverse period of dry, rain fed and cold areas.		
	Insurance coverage to Sheep Breeders under Social Security Scheme		
4	<b>Sericulture</b>		
i	Research & Development, Training, Transfer of Technology & IT Initiatives	Research Projects (i) Mulberry-52 (ii) Projects in Vanya-23 (iii) Post Cocoon-12	32 research projects have been concluded (as on December) 8 more is under completion
ii	Seed Organisation	Production of 355 lakh disease free layings (dfls)	Production of 365 lakh disease free layings (dfls)
iii	Coordination & HRD	Not Quantifiable	Not Quantifiable
iv	Quality Certification Systems	Silk Mark labels : 28 Lakhs Authorised Users: 250 Nos. Programmes/Exhibitions: 360 Nos. Cocoon Testing : 5	Silk Mark labels : 19.60 Lakhs Authorised Users: 236 Nos. Programmes/Exhibitions: 428 Cocoon Testing : 2
v	Export Promotion, Brand Promotion and Infrastructure Upgradations by ISEPC & SMOI	RSTC : 2 Nos.	

vi	Catalytic Development Programme (CDP)	Raw Silk Production (MT) (i) Mulberry-20805 (ii) Vanya Silk (a) Tasar-2785 (b)Eri-4760 (c )Muga -150 Total 28500	Raw Silk Production (MT) (i) Mulberry-14554 (ii) Vanya Silk (a) Tasar-2323 (b)Eri-3701 (c )Muga -144 Total- 20722 (As on November 2014)
5	<b>Powerlooms</b>		
(i)	Integrated Scheme for Powerloom Sector Development includes two new components	i) Awareness programmes - Seminars/Workshops-35 (ii) Setting up of 2 new PSCs (iii) for modernization / upgradation of the PSCs with machines & equipments (iv) Buyer Seller meet-15 (v) Exposure visit-550 (vi) Common facilities Centre-2 (vii) Corpus for Yarn Bank-2	i) Awareness programmes - Seminars/Workshops-50 (ii) 2 new PSC set up (iii) for modernization / upgradation of the PSCs with machines & equipments (iv) Buyer Seller meet-21 (v) Exposure visit -833 (vi) Common facilities Centre-Nil (vii) Corpus for Yarn Bank-5
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)		
	Health Insurance Scheme (New)	65,000 powerloom weavers	Nil
	Technology Upgradation under TUFs		
	(ii) Setting up of Powerloom Megacluster at Ichalkaranji		
	(ii) Group Insurance Scheme	To enrol 1,35,000 powerloom weavers/workers under the scheme	93702 powerloom weavers/workers enrolled
	(iii) Group Workshed Scheme	20 projects for establishment of workshed	71 projects sanctioned
	Scheme for In-Situ up-gradation of palin Powerlooms New)	26,000 plain looms to be upgraded leading to improvement in income of the weaver.	8531 looms have been upgraded with the assistance of subsidy.
	CHCDS- Handicrafts Mega Cluster	Raw Material Linkages, Credit, Market Development, forward and Backward Linkages,	Not Quantifiable
	CHCDS- Handloom Mega Cluster	Common Facility Centres, Textile Labs, CAD Centres, Communication Network, Design/Raw Material Banks, Technology upgradation, product Diversification,	Not Quantifiable
	CPCDS – Powerloom Mega Cluster	Human Resource and skill Development, Social Security, Physical infrastructure.	Not Quantifiable



	Setting up of five mega clusters (i) Zari in Bareilly, (ii) Chicken in Lucknow, (iii) Embroidery in Kutch, (iv) Powerloom Cluster in Surat and (v) Handloom Cluster in Tripura	Not Quantifiable	The project depends upon various factors like availability of land, statutory clearances, finance from other sources and fulfilling certain specified conditions.
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	<b>B. INDUSTRY &amp; MINERAL</b>		
1	NIFT	For Construction of permanent campus at Shilong  Setting up a Campus in J&K  To decongest of NIFT Delhi Campus	(i) The construction work at Delhi, Chennai and Mumbai are being carried out by the central /state govt. agencies (ii) The construction work at Shillong are being carried out by the state govt. agencies i.e MGCLL
2	R & D including TRAs**	20 projects to give an impetus to the research in the textile sector	18 projects completed.
3	Technology Upgradation Fund Scheme (TUFS)	The scheme is in operation w.e.f. 1.4.1999. As on 30.9.2013, 32274 applications with project cost Rs. 245401 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 4590 cases having project cost of Rs 23408 crore as on 31.3.2015. The subsidy released under TUF Scheme is Rs.20383.44 crore. The scheme since inception has propelled investment of more than 271480.30 crore till 31.3.2015.
4	Scheme for Integrated Textile Park (SITP)	Implementation of a total of 63 park sanctioned under SITP	4 parks have been completed during 2014-15 and 18 parks have been completed since inception
5	Export Promotion Studies	Study on Impact of imported second hand shuttle-less looms on domestic capital goods industry -- an in-depth research study of "Varanasi Handloom Cluster" --"Study	Most of the studies have been completed. 3 studies under completion

		for preparation of Corporate Business - cum- Revival Plan for CCIC"	
7	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>(Ii) Support for domestic &amp; export market development of technical textiles</p>	<p>(i) Process of setting up &amp; upgradation of centres of excellence is in progress.</p> <p>(ii)Six consultant have already been empanelled for Business Sart-up under technology Mission on Technical Textiles (TMTT)</p> <p>(a)5 units have registered under Business start-up component underTMTT.</p> <p>(b)14 workshop/seminars on technical textiles had been conducted.</p> <p>(c)2 Buyer Seller meets had been organised</p> <p>(d)8 unites had been registered for support under Market Developemnt Support for export sales.</p> <p>(e)One unit had been registered for support under Fund support for contract R&amp;D.</p>
	<p><b>Others</b> ( Identification of HS codes for technical textiles items, Standards for technical textiles, Export market intelligence, Study to generate data on hospital related infections)</p> <p>[These schemes were initiated in 2012-13.]</p>		
8	Human Resources Development (ISDS)	200000 lakh person	111456 Lakh person ( Upto Dec' 2014)
9	Common Compliance Code		
11	Jute Technology Mission		

	<b>b. INDUSTRY (New Scheme)</b>		
<b>1</b>	<b>Technical Textiles</b>		
<b>i</b>	Scheme for Usage of Geotextiles in North Eastern Region	Consumption of Geo textiles in development of the infrastructure of the NE States in general	(i) A of 23 Demonstration centres had been approved by Apex Monitoring Committee (AMC) with a total cost of Rs 399.36 lakh and the same are being established. After establishing demonstration centres, the farmers will be imparted training and agriculture kits will be disbursed to farmers (II) So far 16 seminars have been organised in North East. 19 seminars have been organised in North east since inception.
<b>ii</b>	Scheme for promoting Agro textiles in North East	Consumption of Agrotextiles in improving the horticulture and floricultural produce of the N-E States	(i) A total of 23 Demonstration Centres had been approved by Apex Monitoring Committee (AMC) with a total cost of Rs 399.36 lakh and the same are being established. After establishing Demonstration centres, the farmers will be imparted training and agriculture kits will also be disbursed to farmers. (ii) 16 Seminars have been organised in North east. So far 19 seminars have been organised in North east since inception.
5	NER Textile Promotion Scheme	0	0
8	Workers Hostel		
9	Incubation		

3.2 As may be seen from the above Statement, in a number of Schemes, the Ministry's performance has been poor in achieving the target set during the year. For example, the target under Baba Saheb Ambedkar Hastshilp Vikas Yojana

(AHVY), was 150 clusters whereas the achievement has been nil, but surprisingly an expenditure of Rs.41 lakh has been incurred thereon. Similarly, the target was for covering five lakh artisans under RGSSBY Scheme and two lakh artisans under Janashree Bima Yojana (JBY) during 2014-15 whereas the achievement has been `nil' and 30,700 artisans respectively. Further, only 93,702 powerloom weavers/workers have been enrolled under the Group Insurance Scheme (GIS) against a target of 1,35,000 weavers/workers. In Health Insurance Scheme (New) (HIS), the achievement has been `nil' against a target of 65,000 powerloom weavers/workers. Similar shortfalls have been observed in TUFSS, Scheme for Integrated Textile Park, Human Resources Development etc.

3.3 In the above context, the Committee asked the precise reasons for shortfalls in the achievement of targets in the schemes so pointed out. In reply, the Ministry submitted that the reasons for shortfalls in the above cited schemes were as under:

#### **Group Insurance Scheme (Powerloom)**

As far as Group Insurance Scheme is concerned, the shortfall in achievement of targets was on account of budget allocation falling short of meeting fresh liabilities for enrolling new workers over and above committed liabilities of previous years 2012-13 and 2013-14 arising out of an increase in GoI share of premium amount from Rs 150 to Rs 290 per worker.

#### **Ambedkar Hastshilp Vikas Yojana**

Prior to 2013-14 under the Cluster Development Programmes (AHVY) all interventions like Base Line Survey, Marketing, Design, Infrastructure were sanctioned from a single sub-head namely AHVY. But the system has been discontinued and sanctions pertaining to only Base line survey are issued under the sub head AHVY. Hence the allocation of funds has dropped.

### **Health Insurance Scheme & Rajiv Gandhi Shilpi Swasthya Bima Yojana (RGSSBY)**

It has been decided to merge the Comprehensive Health Insurance scheme for handicrafts Artisans (RGSSBY) with the Rashtriya Swasthya Bima Yojana (RSBY) of Ministry of labour and Employment. The expenditure could not be incurred as the process of transfer of RSBY from MoLE to Ministry of Health is under process.

### **Janashree Bima Yojana**

The Scheme has now been renamed as Aam Aadmi Bima Yojana being implemented through LIC. Due to late approval of EFC the LIC is facing some problem for its implementation.

### **SITP**

Delays in utilization certificates owing to 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.

### **ISDS**

ISDS was introduced as a Pilot Scheme in 2010 with total Gol Support of 226 Crores for first two years. It was scaled up in 12th Plan with total outlay of Rs.1900 crores. Since, number of projects were less in the Pilot Phase, the expenditure were recorded less in the beginning of the scheme. Certain other factors i.e. de-notification of some of the courses by DGE&T, poor response from State Government Agencies towards taking projects etc. also affected pace of the scheme.

3.4 The Committee then sought to know the measures taken/proposed to ensure optimal achievement of targets set for various Schemes during 2015-16. In response, the Ministry submitted that the following steps have been taken to ensure optimal achievement of targets during 2015-16: (i) Weekly monitoring will be continued done at the level of Secretary and Joint Secretaries concerned; (ii) Meeting

of the Minister of Textiles with Textile Ministers of all the States will be held periodically for explaining the objectives and funding pattern of the schemes; (iii) The matter has been taken up by the Secretary at the central level with the Chief Secretaries/Principal Secretaries of the States and (iv) Field level visits and appraisal by JSs and Senior Officers from the Regional and Attached Offices. Apart from this, as most major Schemes have been firmed up, the momentum of expenditure is expected to improve further and help in achievement of physical targets.

3.5 The Ministry further stated that as most major Schemes have been firmed up, the momentum of expenditure was expected to improve further and help in achievement of physical targets.

**CHAPTER-IV****TEXTILES IN NORTH-EASTERN REGION**

4.1 As regards the details of Budget allocation made for the North-Eastern Region and Expenditure incurred during the 12<sup>th</sup> Plan period, the following information was furnished to the Committee:

<b>Sl. No.</b>	<b>Item</b>	<b>Total allocation</b>	<b>Allocation in NER (BE)</b>	<b>Allocation for NER (RE)</b>	<b>Expenditure</b>
1.	12th Five Year Plan	25931.00	2593.10	-	-
2.	Annual Plan 2012-13	7000.00	700.00	450.00	184.65
3.	Annual Plan 2013-14	4631.00	463.10	390.00	232.71
4.	Annual Plan 2014-15	4831.00	483.10	350.00	241.03 (as on 13.1.2015)

4.2 As is seen from the above details, the BE 2012-13, 2013-14 and 2014-15 for North Eastern Region provided for an amount of Rs.700 crore, Rs.463.10 crore and Rs.483.10 crore respectively which was correspondingly reduced to Rs.450 crore, Rs.390 crore and Rs.350 crore at the RE stage. The Actual Expenditure during these years have been Rs.184.65 crore, Rs.232.71 core and Rs.241.03 crore (as on 13th January, 2015). During the year 2015-16, the approved Plan Outlay is Rs.257 crore for the North Eastern Region.

4.3 In the above context, the Committee sought for an explanation from the Ministry regarding the causes of shortfalls in utilization of funds in the North Eastern Region. In reply, the Ministry submitted as under:

"Less number of proposals from State Governments has attributed to shortfall in achieving the budgetary allocation. However, compared to

previous years, utilization of funds during 2014-15 has improved. New schemes launched for setting up of Apparel & Garment Making Centre, promotion of usage of Geo-textile in NER and projects sanctioned for development of sericulture, Powerloom, Handloom and Handicraft would result in better utilization of the budgetary allocation."

4.4 The Committee then asked about the constraints/impediments faced in optimal utilization of funds meant for the North Eastern Region and measures taken to overcome them. In response, the Ministry explained as under:

"Textile Sector in the NE Region is in nascent stage. Lack of infrastructure, improper connectivity, non-availability of skilled manpower, shortage of power supply & logistic support and poor industrialization are some of the major constraints in the way of speedy implementation of any project approved for the region. There is shortage of manpower in many NE States under State Sericulture Department for implementation of the programmes. Following measures are proposed to overcome the constraints:

- i) Constant dialogue with State Governments with a view to stimulate investment and development of textile in North East Region.
- ii) Skilling of youth to meet the requirements of various segments of textile, setting up of Apparel & Garment Making Centres, various interventions for sericulture sector including creation of seed infrastructure for mulberry, muga and eri, Handloom, Handicrafts and Powerloom during the plan period.
- iii) Introduction of Scheme for Promotion of Usage of Geotechnical Textiles in the North Eastern Region for 5 years from 2014-15 to 2018-19 to demonstrate use of geotechnical textiles as a modern cost-effective technology in the development of infrastructure in fragile



geological conditions of NER. The scheme is expected to improve the durability, function and life of infrastructure in NER, while bringing down the life cycle cost of the projects.

iv) Technical Experts of Central Silk Board undertake regular visits to NE Region to guide and monitor projects approved in Sericulture and engage in discussion with state Government for effective implementation.

v) Cluster based approach to handloom and handicraft sector has been adopted to improve utilization of fund.

(vi) Projects for introducing semi-automatic looms are approved for Manipur and Sikkim and will be taken up across all NER States."

4.5 Asked to state whether just earmarking 10 per cent of the total budget of the Ministry towards North Eastern Region, without fully utilizing them, would serve any purpose, the Ministry stated that earmarking 10 per cent of the total budget towards North Eastern Region served the purpose.

4.6 The Committee were informed that the Ministry were giving special attention for the development of the North Eastern Region in general and for the generation of productive employment for the youth and women in particular by setting up of 'Centres for production of garment and apparels' in each North Eastern State.

4.7 In the above context, the Committee desired to be apprised of the number of such Centres already established and the extent to which they have facilitated generation of productive employment of North Eastern Women and Youth. In reply, the Ministry submitted that all North Eastern States have been sanctioned on Apparel and Garment Centre each with three units having 100 machinery each.

The Ministry further stated that the Centres were under construction and hence productive employment had not been achieved. However, upon fully operationalisation, each Centre would generate an employment of about 1200 people.

4.8 The Committee then asked about the specific steps taken for developing/expanding the marketing of the textiles produce in the North Eastern Region. In reply, the Ministry stated as under:

"Projects have been approved for promoting and the marketing of textiles produces from North East. Details of the projects are summarized below:

- i) **Market promotion of Handloom products for all 8 North East States + Other agencies** – Rs.82.50 crores has been approved for activities pertaining to market promotion of NE Textiles and Handlooms.
- ii) **Promotion of Handloom with Fashion, an event organized by NIFT at Bhubaneswar Campus on 22.01.2015** - NIFT organized a design sutra, an event at Bhubaneswar Campus on 22<sup>nd</sup> January 2015 to give special focus on Handloom Sector of North East Region for the benefit of promotion of fabric products of North East States.
- iii) **Project for Comprehensive Development of North-Eastern Handicrafts under NERTPS by Export Promotion Council of Handicrafts (EPCH)** – Project sanctioned under NERTPS for a project cost of Rs.12.48 crores with components of Capacity enhancement, National /International marketing, thematic display of Handicrafts of NER, Creation of infrastructure for setting up of common facility etc.
- iv) **Project for Printing of G&H (gifts, house-ware and handicrafts) catalogue for international marketing for export**

**promotion & comprehensive development of North Eastern handicrafts by EPCH** – Project has been sanctioned under NERTPS for the printing and circulation of catalogues in the international market, exhibitions, trade events, summit and conferences with an objective to create interest of buyers to source their products from India.

4.9 The Secretary, Ministry of Textiles, while tendering evidence before the Committee, submitted that in the first two years of the 12<sup>th</sup> Plan period, the expenditure in North-Eastern States was hardly Rs.10 crore, but in 2014-15 such expenditure had been increased ten times by taking into consideration the requirement of the State Governments and improving upon the Guidelines meant for the purpose.

**CHAPTER-V****EXPORT AND PROMOTION OF JUTE/JUTE PRODUCTS**

5.1 The Export trends of Jute during the years 2009-10 to 2013-14 and for the year 2014-15 (April-September) were as follows:

April-March	2009-10		2010-11		2011-12		2012-13		2013-14	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Hessian	15.7	318.46	37.9	740.47	75	978.81	40.5	230.84	50.1	861.02
Sacking	26.7	111.00	42.8	223.95	73	418.94	81.2	465.69	84.6	527.00
Yarn	33.4	144.20	85.4	530.96	54.7	282.01	41.4	218.59	25.0	143.58
JDP	0	230.83	0	269.75	0	319.9	0	320.40	0	483.88
Others	8.0	54.97	9.4	89.02	9.1	95.3	6	46.46	6.0	106.46
<b>Total</b>	<b>83.8</b>	<b>859.46</b>	<b>175.5</b>	<b>1854.15</b>	<b>211.8</b>	<b>2094.96</b>	<b>169.1</b>	<b>1281.98</b>	<b>165.7</b>	<b>2121.94</b>

<b>APRIL-SEPTEMBER</b>						
Item	Quantity (in `000' MT)			Value (Rs. in Crores)		
	2013-14	2014-15	% change	2013-14	2014-15	% change
Hessian	22.6	18.6	-17.7%	157.2	133.7	-14.9%
Sacking	50.5	23.3	-53.8%	311.8	147.7	-52.6%
Yarn	15.6	14.9	-4.4%	90.8	84.8	-6.6%
JDP	-	-	-	193.0	259.5	34.4%
Others	4.3	4.5	4.6%	50.0	57.6	15.2%
<b>Total</b>	<b>93.0</b>	<b>61.3</b>	<b>-34.1%</b>	<b>802.8</b>	<b>683.3</b>	<b>-14.9%</b>

5.2 As would be observed from above data, in 2012-13, the export of Jute was 1,69,000 MT worth Rs.1281.98 crore whereas in 2013-14 it was 1,65,000 MT worth Rs.2121.94 crore. The export performance during 2014-15 (April to September) was 61000 MT worth Rs.683.03 crore.

5.3 In the above context, the Committee desired to know the export target of jute during 2014-15 and the likely achievement by 31st March, 2015. In reply, the Ministry stated that export target of jute during 2014-15 was US \$ 520 million (Rs.3120 crore). Going by the export performance( April – December, 2014), for 2014-15 ( full year) total export was estimated at Rs.1760 crore ( US \$ 293 million),working out to the achievement of export target by 56%.

5.4 Asked to state the reasons for decline in exports in 2014-15, the Ministry, in reply, attributed the following reasons for the same.

- i) India and Bangladesh are the two major countries engaged in production of Jute and Jute goods. India faces stiff price competition from Bangladesh and India turns out to be a residual seller. Bangladesh receives cash subsidy on exports @ 7.5 % on jute yarn and @ 10% on other jute goods. Labour cost, cost of capital, power cost is also cheaper in Bangladesh. Moreover, Bangladesh receives preferential import tariffs in countries because of their LDC status. This helps Bangladesh Jute Exporters to adopt price discount policy on export jute products. On the contrary, Indian jute exporters cannot compete with Bangladesh in the face of such price discount policy.
- ii) Synthetics have been gradually increasing its share into the packaging market replacing jute as the preferred packaging material. Thus, competition from synthetics and lack of eco-friendly brands and internationally accepted standards are responsible for decline in exports of jute goods.
- iii) In the absence of specific export promotion scheme for jute, large manufacturer/exporters who can contribute to the volume of exports find it difficult to export

5.5 The Committee then queried about the target fixed for export of jute during 2015-16 and measures taken/proposed to ensure optimal achievement of targets in the export of Jute. In reply, the Ministry submitted as under:

"Ministry has proposed to set an export target of Rs.2000 crores for jute products for the year 2015-16 meeting out approximate increase of 20% over the previous year. To ensure optimal achievement of target, the Government of India is taking various steps to increase the export of jute goods including incentives to exporters to increase the production and improve export market for diversified jute products. Some of the important schemes are as under:

- Govt. of India encourages extensive research in jute in order to increase production of Jute Diversified Products (JDPs). Promotion of Jute Geotextiles (JGT) is one of the most important diversified jute products with huge potential to have large scale application. National Jute Board (NJB), a statutory body under this Ministry explores new market avenues for boosting use of jute goods to promote/increase the use of jute/jute products in the country and abroad. National Jute Board (NJB) regularly organizes trade fairs in India and abroad to explore new markets for boosting use of jute goods.
- Government of India had launched the Jute Technology Mission (JTM) as a major initiative for overall development of the jute industry and growth of the jute sector with a total outlay of Rs.355.55 crores spanning six years which was completed in March 2013. Mini Mission-IV of JTM provided for modernization of jute industry, upgradation of skills, market promotion and exports which helps to increase demand of raw jute. The Ministry has proposed launching of Jute Technology Mission-II.
- Solving export related problems specifically with respect to tariff and non-tariff barriers , anti- dumping duty etc.

- Participation in product- specific fairs and Organizes Buyer- Seller Meets.
- Conducting Study & Research of Markets vis-a-vis product to identify new and potential markets."

5.6 The Committee asked about the mechanism put in place to ensure strict implementation of the CCEA approved proposal of the Ministry stipulating that minimum of 90 per cent of food grain and minimum of 20 per cent of sugar to be compulsorily packed in Jute Packaging Materials. In reply, the Ministry explained as under:

"Different State foodgrains procuring agencies purchase food grains at Minimum Support Price (MSP) for supply the same in the Central Pool and ultimately for distribution through Public Distribution System (PDS). For packing of these foodgrains, jute bags are purchased through DGS&D as per the stipulations contained in the order issued under JPM Act. The entire mechanism is being monitored by Ministry of Consumer Affairs, Food & Public Distribution, Government of India. However, Rice Millers in some States are reportedly not using required quantity of jute bags for packing rice.

For effective implementation of the Orders issued under Jute Packaging Materials (Compulsory use in packaging Commodities) Act, 1987 (**JPM Act**), Central Government vide order bearing SO 1495(E) dated 30.05.2011 has delegated the powers under Section 6,7, and 8 of the JPM Act to Jute Commissioner, Joint Secretary (Policy), Department of Food & Public Distribution, Deputy Jute Commissioner, Deputy Directors, Office of Jute Commissioner, Chief Director (Sugar), Department of Food & Public Distribution, District Magistrate and Sub-Divisional Magistrates of all the District/Sub-Division of all District in India in respect of sugar and to Jute Commissioner, Joint Secretary (Policy), Department of Food & Public Distribution, Deputy Jute

Commissioner, Deputy Directors, Office of Jute Commissioner in respect of food grains."

5.7 Elaborating the issue, the Secretary, Ministry of Textiles submitted in evidence:

"The second part you mentioned about jute. We have a Central Act but ultimately implementation will have to be done through the State Government. In the last six months, at least six times we have gone, every month, either myself or our Minister and sat with the Government of West Bengal and requested them to please help us in doing these things. Selling jute as gunny bags, there is a problem in the market. So, we are taking a two pronged strategy. One is to implement the Jute Packaging Order. Side by side, we are requesting the State Government to use jute in potato and vegetable. It is a joint effort. Without the State Government's support, I am afraid what can the Ministry do?"

5.8 Asked to mention the penalty provision prescribed for non-adherence to the above stipulation, the Ministry submitted as under:

"As per the statutory provision of the JPM Act, 1987 the offences are cognizable and procedure of Cr.PC has to be followed to punish the owner of the company or persons those who have contravened the provisions of the Act and the power of imposing penalty upon the offender vested with the Competent Court. Criminal complaint can be lodged in the concerned Police Station against the offender."

5.9 The Committee then desired to be apprised of the immediate and long term planning of the Government to facilitate and sustain a pre-eminent global standing *vis-a-vis* Bangladesh in the manufacture and export of jute products besides addressing and ameliorating the poor economic condition of millions of jute farmers, workers, artisans etc., In reply, the Ministry informed as under:



"The Government has also taken various steps for the benefit of the jute Industry including workers, artisans and jute farmers. Some of the steps are as under:

- Government of India had launched the Jute Technology Mission (JTM) as a major initiative for overall development of the jute industry and growth of the jute sector with a total outlay of Rs.355.55 crores spanning six years which was completed in March 2013. Under the JTM, several schemes were operational under the Mini Mission I, II, III & IV for the overall growth of jute sector. Mini Mission-I aimed towards strengthening agriculture research and development in jute sector for improving the yield and quality. Mini Mission-II was targeted towards transfer of improved technology and agronomic practices in production and post harvesting phase. Under Mini-Mission-III, market linkage of raw jute was provided in all jute growing states. Mini Mission-IV provided for modernization of jute industry, upgradation of skills, market promotion and exports which helps to increase demand of raw jute. For similar benefits, the Ministry has proposed launching of Jute Technology Mission-II.
- Minimum Support Price (MSP) for raw jute and mesta is fixed every year to encourage farmers to grow more jute.
- In order to encourage jute production, Government provides for compulsory packaging of certain percentage of food grains & Sugar in jute under Jute Packaging Material (Compulsory use in packaging commodities), 1987.
- National Jute Board and Jute Corporation of India are working on projects with National Institute of Research on Jute & Allied Fibre Technology (NIRJAFT) and Central Research Institute for Jute and Allied Fibres (CRIJAF) to develop better jute seeds and to improve agronomical practices for jute cultivation.

- JCI is also demonstrating the alternate retting technology to farmers to improve the fibre quality of jute.
- The Govt. of India encourages extensive research in jute in order to increase production of Jute Diversified Products (JDPs). Promotion of Jute Geo- textiles (JGT) one of the most important diversified jute products with huge potential to have large scale application.
- National Jute Board (NJB), a statutory body under this Ministry explores new market avenues for boosting use of jute goods to promote/increase the use of jute/ jute products in the country and abroad, by organising trade fairs in India and abroad.
- Ministry is promoting R&D to diversify the usage of jute in composites, paper industry, automobiles etc."

**PART-II****OBSERVATIONS/ RECOMMENDATIONS**

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

**2. As regards the concrete plan of action to optimally utilise the 12<sup>th</sup> Plan approved outlay in the remaining two years, the Ministry are reportedly taking a number of measures *viz.* weekly monitoring at the level of Secretary and Joint Secretaries concerned, regular interaction with Chief Secretaries to ensure regular flow of proposals from the States and expeditious release of funds to the Implementing Agencies. The Ministry have also assured the Committee that all efforts would be made to sustain the momentum gathered in 2014-15. The Committee trust that the accelerated momentum of 2014-15 in terms of financial sanctions and expenditure would be intact in 2015-16 and 2016-17 too so as to maximize the utilization of 12<sup>th</sup> Plan approved outlay meant for various textiles sector Schemes.**

**3. The Committee note that the BE for Annual Plan 2014-15 was Rs.4,831 crore which was reduced to Rs.3,500 crore at the RE stage against which the Actual (provisional) expenditure based on the expenditure booked as on 31<sup>st</sup> March, 2015 was Rs.3,311.75 crore constituting about 94.62 percent of the RE provision. Similarly, for Non-Plan expenditure, the Ministry projected an amount of Rs.866.43 crore which was clipped to Rs.683.54 crore at the RE stage and the Actual (provisional) Non-Plan expenditure was RE 664.37 crore constituting about 97.20 percent of the RE provision. Though the overall utilisation of funds during 2014-15 appears to be encouraging, the Committee deprecate to find that**

there have been noticeable shortfalls in expenditure in some individual Schemes/Programmes/Activities like National Handloom Development (shortfall of Rs.61.61 crore), Powerloom Health Insurance Scheme (no expenditure), Powerloom Mega Cluster (no expenditure), Research & Development (shortfall of Rs.10.58 crore against the allocation of Rs.12 crore), Integrated Processing Development (no expenditure) Scheme for usage of Geotextiles (no expenditure) and setting up of Hastkala Academy (shortfall of Rs.9.95 crore against the allocation of Rs.10 crore). The Committee, therefore, impress upon the Ministry to accord due import to these Schemes by utilizing the earmarked allocation for them during 2015-16 besides maintaining the pace of expenditure made during 2014-15.

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

reasons for savings in some Schemes during 2014-15 and the measures taken to avoid surrender of funds during 2015-16 completely.

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

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

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



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

9. The Committee note that during the 12<sup>th</sup> Five Year Plan the total allocation for the North-Eastern Region is Rs.2,593.10 crore. The BE 2012-13, 21013-14 and 2014-15 provided for an amount of Rs.700 crore, Rs.463.10 crore and Rs.483.10 crore respectively which was correspondingly reduced to Rs.450 crore, Rs.340 crore and Rs.350 crore respectively. The Actual Expenditure during these years has been Rs.184.65 crore (2012-13), Rs.232.71 crore (2013-14) and Rs.241.03 crore (2014-15). The Committee believe that just earmarking 10 percent of the total annual Budget of the Ministry for the NER serves little purpose without optimally utilising the funds allocated. Considering the rich tradition of the textiles in the

eight North-Eastern States, the Committee impress upon the Ministry to make concerted efforts towards maximization of utilisation of the earmarked funds in the NER so that the intended objectives like North East Region Textile Promotion Scheme (NERTPS), Implementation of Catalytic Development Programme Scheme for promoting usage of Agrotextiles and Geotextiles, Handlooms, Handicrafts etc. are achieved for the overall promotion and development of textiles in the North Eastern Region.

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

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

contribute to the volume of exports. The Committee also desire that requisite steps be taken to develop jute, being eco-friendly, as internationally accepted brand so that it is accepted overseas as the preferred packaging material and the export target of Rs.2000 crore set for the year 2015-16 is also achieved.

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

13. The Government are reportedly taking a number of steps for the benefit of the jute industry including workers, artisans and jute farmers. Such measures inter-alia include launching of the Jute

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

**New Delhi;  
22nd April, 2015  
2 Vaisakha, 1937 (Saka)**

**DR. VIRENDRA KUMAR  
CHAIRPERSON  
STANDING COMMITTEE ON LABOUR**

## **Minutes of the Nineteenth Sitting of the Committee**

The Committee sat on 1st April, 2015 from 1500 hrs. to 1700 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

### **PRESENT**

**Dr. Virendra Kumar – Chairperson**

### **MEMBERS LOK SABHA**

2. Shri Rajesh Kumar Diwakar
3. Shri Devajibhai Govindbhai Fatepara
4. Shri C.N. Jayadevan
5. Shri Bahadur Singh Koli
6. Shri Kaushalendra Kumar
7. Shri Hari Manjhi
8. Shri Hariom Singh Rathore

### **RAJYA SABHA**

9. Shri Aayanur Manjunatha
10. Shri Tapan Kumar Sen
11. Shri Ravi Prakash Verma
12. Shri P.L. Punia

### **SECRETARIAT**

- |    |                        |   |                      |
|----|------------------------|---|----------------------|
| 1. | Shri Devender Singh    | - | Additional 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.	Shri A. Madhukar Reddy	Joint Secretary
6.	Smt. Sunaina Tomar	Joint Secretary
7.	Smt. Babni Lal	Economic Advisor
8.	Ms. Indrani Kaushal	Addl. EA
9.	Shri Neelmani	AAO Budget
10.	Shri Neelam S. Kumar	CCA
11.	Shri Shamir Kumar Biswas	DC (Handicrafts)
12.	Shri Anil Raj Kumar	ADC (Handloom)
13.	Smt. Kiran Soni	Textile Commissioner
14.	Shri P.C. Vaish	CMD (NTC)
15.	Shri Pramod Nagpal	MD (CCIC)
16.	Shri Nirmal Sinha	CMD (HHEC)
17.	Shri B.K. Mishra	CMD (CCI)
18.	Shri Deepankar Mahto	Secretary, National Jute Board
19.	Shri Subrata Gupta	Jute Commissioner
20.	Shri P.K. Gera	DG (NIFT)
21.	Shri S. Srinivas	MD (NHDC)
22.	Shri Suresh Chandra	CEO (HL)

2. At the outset, the Chairperson welcomed Members and the representatives of the Ministry of Textiles to the sitting of the Committee convened to take oral evidence of the Ministry on Demands for Grants (2015-16). 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 2015-16 for various programmes/activities/schemes and the plan of action on the part of the Ministry to optimally utilize 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 2015-16, the measures taken/proposed to maximize expenditure during the year, the allocations made during the previous fiscal and actual utilization of funds, the overall position of fund utilization and implementation of various schemes in the North-Easter Region, measures taken to promote Jute Industry and jute export, importance accorded to Geo-Textiles etc.

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

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

5. 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 Twentieth Sitting of the Committee**

The Committee sat on 22<sup>nd</sup> April, 2015 from 1400 hrs. to 1430 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. Shri Bahadur Singh Koli
5. Shri R. Parthipan
6. Shri Naba Kumar Sarania

#### **RAJYA SABHA**

7. Haji Abdul Salam
8. Shri Ravi Prakash Verma
9. Shri P.L. Punia

### **SECRETARIAT**

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

At the outset, the Chairperson welcomed the Members and apprised them that he convened the meeting at 1400 hrs. to facilitate the Members' timely presence in Lok Sabha/Rajya Sabha. The Chairperson then informed the Members that, subject to adoption of the Draft Reports slated for consideration by the Committee, he would like to get the Reports presented to Lok Sabha/laid in Rajya Sabha on 23<sup>rd</sup> April, 2015. The Chairperson then requested the Members to give their suggestions on the Draft Reports.

2. The Committee then took up for consideration the following Draft Reports and adopted them after some discussions:

- (i) Action Taken by the Government on the recommendations/observations of the Committee contained in their First Report on Demands for Grants (2014-15) of the Ministry of Labour and Employment;
- (ii) Action Taken by the Government on the recommendations/observations of the Committee contained in their Second Report on Demands for Grants (2014-15) of the Ministry of Textiles;
- (iii) Demands for Grants (2015-16) of the Ministry of Labour and Employment; and
- (iv) Demands for Grants (2015-16) of the Ministry of Textiles.

3. The Draft Reports were adopted by the Committee without any change.

4. The Committee then authorized 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.

5. XX XX XX

**The Committee then adjourned.**

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XX Do not pertain to this report