

**35**

**STANDING COMMITTEE ON LABOUR  
(2017-18)  
(SIXTEENTH LOK SABHA)**

**MINISTRY OF TEXTILES**

**DEMANDS FOR GRANTS  
(2018-19)**

**THIRTY FIFTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**March, 2018/Phalguna, 1939 (Saka)**

**THIRTY FIFTH REPORT**  
**STANDING COMMITTEE ON LABOUR**  
**(2018-19)**

**(SIXTEENTH LOK SABHA)**

**MINISTRY OF TEXTILES**

**DEMANDS FOR GRANTS**  
**(2018-19)**

*Presented to Lok Sabha on 13.03.2018*

*Laid in Rajya Sabha on 13.03.2018*



**LOK SABHA SECRETARIAT**

**NEW DELHI**

**March, 2018/Phalguna, 1939 (Saka)**

## **CONTENTS**

	<u>PAGE (S)</u>
<b>COMPOSITION OF THE COMMITTEE</b>	<b>(iv)</b>
<b>INTRODUCTION</b>	<b>(v)</b>
<b>REPORT</b>	
<b>I INTRODUCTORY</b>	<b>1</b>
<b>II XII PLAN OUTLAY AND UTILISATION</b>	<b>3</b>
<b>III ALLOCATION AND UTILISATION OF FUNDS DURING 2017-18 AND ANNUAL PLAN 2018-19</b>	<b>8</b>
<b>Supplementary Demands For Grants (2018-19)</b>	<b>15</b>
<b>Shortfall in Scheme</b>	<b>18</b>
<b>Annual Plan 2018-19</b>	<b>19</b>
<b>IV PHYSICAL TARGETS AND ACHIEVEMENTS</b>	<b>28</b>
<b>Handloom Weaver Comprehensive Welfare Scheme</b>	<b>30</b>
<b>V SOME MAJOR ONGOING AND NEW SCHEMES</b>	<b>33</b>
<b>VI REBATE ON STATE LEVIES (RoSL)</b>	<b>42</b>
<b>VII AMENDED TECHNOLOGICAL UPGRADATION FUND SCHEME (ATUFS)</b>	<b>44</b>
<b>VIII SERICULTURE</b>	<b>49</b>
<b>IX INTEGRATED SKILL DEVELOPMENT SCHEME (ISDS)</b>	<b>55</b>
<b>X IMPACT OF GST ON TEXTILE INDUSTRY</b>	<b>62</b>
<b>XI SCHEME FOR INTEGRATED TEXTILE PARKS (SITP)</b>	<b>67</b>
<b>XII WOOL DEVELOPMENT PROGRAMME</b>	<b>72</b>
<b>ANNEXURE</b>	
	<b>74</b>
<b>Annexure-I Scheme-wise financial/physical targets and achievements during 2017-18.</b>	<b>83</b>
<b>Annexure-II Textiles Parks approved in last 4 years.</b>	
<b>Annexure-III Details of Textile Parks in Jammu &amp; Kashmir and North-Eastern States.</b>	<b>85</b>
<b>Annexure-IV Model Textile Parks under SITP</b>	<b>86</b>
<b>APPENDICES</b>	
<b>Appendix-I Minutes of the Tenth sitting of the Standing Committee on Labour held on 16.02.2018.</b>	<b>88</b>
<b>Appendix-II Minutes of the Fourteen sitting of the Standing Committee on Labour held on 12.03.2018.</b>	<b>92</b>

**COMPOSITION OF THE STANDING COMMITTEE ON LABOUR**

**(2017-18)**

**DR. KIRIT SOMAIYA - CHAIRPERSON**

**MEMBERS**

**Lok Sabha**

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

**Rajya Sabha**

22. Dr. K. Chiranjeevi
23. Shri Ram Narain Dudi
24. Shri N. Gokulkrishnan
25. Shri Nazir Ahmed Laway
26. Shri P.L. Punia
27. Shri Rajaram
28. Shri Amar Shankar Sable
29. Ms. Dola Sen
30. Shri Tapan Kumar Sen
- \*31. Vacant

**SECRETARIAT**

- |                               |   |                     |
|-------------------------------|---|---------------------|
| 1. Ms. Rimjhim Prasad         | - | Joint Secretary     |
| 2. Smt. Anita B. Panda        | - | Director            |
| 3. Shri C.Vanlalruata         | - | Additional Director |
| 4. Shri Devudu Babu Badireddi | - | Executive Assistant |

## **INTRODUCTION**

I, the Chairperson, Standing Committee on Labour (2017-18) having been authorized by the Committee do present on their behalf this Thirty Fifth Report on Demands for Grants (2018-19) of the Ministry of Textiles.

2. The Committee considered the Demands for Grants (2018-19) pertaining to the Ministry of Textiles which were laid on the Table of the House on 8<sup>th</sup> February, 2018. After obtaining the Budget Documents, Explanatory Notes, etc., the Committee took evidence of the representatives of the Ministry of Textiles on 16<sup>th</sup> February, 2018. The Committee considered and adopted the Report at their sitting held on 12<sup>th</sup> March, 2018.

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

**New Delhi;**  
***12<sup>th</sup> March, 2018***  
***21<sup>st</sup> Phalguna, 1939 (Saka)***

**DR. KIRIT SOMAIYA**  
***CHAIRPERSON***  
***STANDING COMMITTEE ON LABOUR***

# **REPORT**

## **INTRODUCTORY**

The Indian textile industry is one of the largest in the world with a large raw material base and manufacturing strength across the value chain. Traditional sectors like handloom, handicrafts and small scale powerloom units are the biggest source of employment for millions of people in rural and semi urban area. The Indian textile industry has inherent linkage with agriculture, culture and traditions of the country making for its versatile spread of products appropriate for both domestic and the export markets. The textile industry contributes to 7% of industry output in value terms, 2% of India's GDP and to 15% of the country's export earnings. With over 45 million people employed directly, the textile industry is one of the largest sources of employment generation in the country.

2. The Ministry of Textiles is responsible for policy formulations, planning, development, export promotion and trade regulation of the Textiles Industry. This includes all natural and manmade cellulosic fibers that go into the making to textiles, clothing, handloom and handicrafts. As per their Annual Report, the vision of the Ministry is to build state-of-the-art production capacities and achieve a pre-eminent global standing in manufacture and export of all types of textiles including technical textiles, jute, silk, cotton and wool and develop a vibrant handlooms and handicrafts sector for sustainable economic development and promoting and preserving the age old cultural heritage in these sectors.

3. Mission of the Ministry is as under:

- (i) To promote planned and harmonious growth of textiles by making available adequate fibres to all sectors.
- (ii) To promote technological upgradation for all types of textiles including technical textiles, jute, silk, cotton and wool.
- (iii) To promote skills of all textiles workers, handloom weavers and handicrafts artisans, creation of new employment opportunities and development of new designs to make these sectors economically sustainable.
- (iv) To 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) To promote exports of all types of textiles and clothing and handicrafts and increase India's share of world exports in these sectors.

4. In keeping with goal of making India's development inclusive and participative, the Government's central focus has been on increasing textile manufacturing by building the best-in-class manufacturing infrastructure, upgradation of technology fostering innovation, enhancing skills and traditional strengths in the textile sector.

5. Major schemes being implemented by the Textiles Ministry are National Handloom Development Programme, Mill Gate Price Scheme/Yarn Supply Scheme, Handloom Weavers Comprehensive Welfare Scheme, Pradhan Mantri Credit Scheme for Powerloom Weavers with two components viz. PowerTex MUDRA and PowerTex STANDUP INDIA Integrated Wool Improvement and Development Programme, Baba Shaheb Ambedkar Hastisilp Yojana, Design & Technical Development Marketing Support & Services Scheme, Infrastructure and Technology Development Scheme, Integrated scheme for Development of Silk Industry Powerloom, Mega-clusters Technology Upgradation Fund Scheme, Integrated Scheme for Powerloom Sector Development (ISPSD), Group Insurance Scheme (GIS),

Group Workshed Scheme, Pilot Scheme for In-Situ Upgradation of plain Powerloom & comprehensive Powerloom Cluster Development Scheme (CPCDS), Textile Workers Rehabilitation Fund Scheme, Scheme for integrated textiles park, Human Resource Development (ISDS), Scheme for Usage of Geo-textiles in the North East, Scheme for promoting Agro Textiles in the North East, Integrated Processing Development Scheme, Workers' Hostel, NER Textiles Promotion Scheme and Research & Development, Setting up of Hastkala Academy in Delhi, Setting up of five mega clusters etc.

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

7. The Demands for Grants of the Ministry of Textiles for the year 2018-19 are given under Demands No.94. The detailed Demands for Grants of the Ministry were laid in the Parliament on 8<sup>th</sup> February, 2018. The Budget Estimate of the Ministry showing Revenue and Capital expenditure for the year 2018-19 is as under:- (Page. No.55, item no.7 background note)

**(₹ in crore)**

	<b>Budget Estimate (2018-19)</b>
Revenue	7,109.84
Capital	37.89
Total	7,147.73

## **II. XII PLAN OUTLAY AND UTILISATION**

8. The Committee have been informed that the XII Plan proposed outlay by the Ministry was ₹40,203.19 crore whereas the approved outlay was ₹25,931.19 crore. The cumulative expenditure from 2012-13 to 2016-17



has been ₹18,081.61 crore. It is also noted that there was under utilisation of funds in the following schemes:

(₹ in crores)

Sl.No	Scheme/ Programme	RE	Actual expenditure
1.	Development of Mega clusters	544.24	369.36
2.	Research & Development including TRAs	83.95	39.81
3.	Technological Upgradation Fund Scheme	10,127.88	9,773.78
4.	Integrated Skill Development Scheme	816.41	684.76
5.	Scheme for usage of Geotextiles in NER	89.00	21.19

9. In the above context, when the Committee enquired about reasons for under utilisation of approved outlay.

The Ministry stated as under:-

**1. Development of Mega Clusters:**

**(a) Development of Handicraft Mega Clusters:** Mega cluster approach is a drive to scale up the infrastructural and production chain at Handicrafts clusters which have remained unorganized and have not kept pace with the modernization and development that have been taken place so far. The programme supports the Upgradation of infrastructural facilities coupled with market linkages and product diversification.

During the 12<sup>th</sup> Plan period, there was a shortfall in utilisation of funds and main reasons for such shortfall are given below:-

(a) State Agencies was not getting suitable land for Infrastructure & Development activities.

- (b) Slow implementation of the sanctioned activities by State Govt. agencies.
- (c) Delay in clearance from the civil authorities for setting up of Infrastructure.
- (d) Pending Utilization Certificates.

**(b) Mega Silk Cluster:** Pursuance of announcement made in 2014-15 budget for setting up silk Mega Cluster in Mysore, a Special Purpose Vehicle (SPV) namely “Mysore Chamundeshwari Mega Silk Cluster (India) Private Limited” was registered on 6<sup>th</sup> March, 2017 with 25 members and accordingly, ₹10.00 crore was made at the BE stage for 2017-18. But, the project did not progress on the expected lines due to delay in land allotment in favour of SPV by the State Government. So, the allocated funds were curtailed at RE stage.

**(c) Handloom Mega clusters:** During 2012-13 to 2015-16, against allocation of funds, ₹78.56 crore was released for development of mega handloom clusters while during the period 2015-16 to 2016-17, an amount of ₹46.65 crores was released. Thus, total amount of ₹125.21 crore was released for development of mega handloom clusters during 2012-13 to 2016-17.

**(d) Powerloom Mega clusters:** There are 5 mega clusters under Comprehensive Powerloom Mega Cluster Development Scheme viz. Erode, Ichalkaranji, Surat, Sholapur (earlier Bhiwandi) and Bhilwara. The Powerloom Mega Cluster have been affected by non-availability of land clusters such as Bhiwandi and Bhilwara and lack of interest from stakeholder. Under the Erode Powerloom Mega Cluster in Tamil Nadu, the daily market and weekly market have been completed. The work in Ichalkarnji Powerloom Mega Cluster in Maharashtra is under progress. The

Cluster Management and Technical Agency (CMTA)s selected for Powerloom Mega Clusters in Surat and Solapur are preparing Draft Conceptual Reports (DCR) for their two clusters. Due to slow progress being made in Powerloom Mega Cluster at Bhilwara, the CMTA has been cancelled and necessary action for appointment of fresh CMTA has been initiated. State Governments have also been requested to monitor closely the progress of the mega clusters.

(2) **Research & Development including TRAs :** This scheme provides for textile sector market driven research and for development of new product and processes by initiating basic research and also for improving existing machinery of textiles including jute through applied research. Under this scheme, financial assistance upto 70% depending on the area/quality of research is provided to the implementing agency (Textile Research Associations (TRAs), various universities/educational institutes etc.). The balance funds are to be provided by the implementing agency through an industry partner or from its own resources. Only in case of projects involving Basic research, government assistance upto 100% is provided. The shortfall in expenditure is due to the less demand and appetite from the industry for undertaking R&D work. Unwillingness to provide matching share (at least 30%) of the project cost by the implementing agency is another reason for low off-take of the scheme.

(3) **Amended Technology Upgradation Fund Scheme (ATUFS):** During 12<sup>th</sup> Five Year Plan, RE under TUFS was ₹10,281.97 crore and actual expenditure was ₹9,781.06 crore. The shortfall was mainly on account of non-utilisation of funds allocated under SCSP, TSP and NER head. Hence, funds earmarked under these heads could not be fully utilized for lack of demand under these categories.

(4) **Integrated Skill Development Scheme (ISDS):** ISDS in 12<sup>th</sup> Plan was approved in August 2013. It took some time for empanelling and sanction of training targets to new agencies. Also, Component-III of the Scheme which envisages participation of all states for achieving targets was operationalized during 2014-15. Only 15 States had submitted proposals for funds for training targets. Some of the State agencies could not achieve the sanctioned targets. This resulted in less utilization of funds.

(5) **Scheme for Promoting Usage of Geotechnical Textiles in NER:**

The scheme indented to develop infrastructure by way of constructing roads, Hill Slope Protection and Water Reservoir in the North Eastern Region (NER).The scheme was approved in the year 2013-14, but, actual implementation of the scheme began in the year 2014-15. As such, no fund was utilized during the year 2013-14. Further, during the year 2014-15, ₹4.00 crore could be utilized out of allocated R.E. of ₹8.00 crore.

Since from the stage of formulation of proposal to its actual execution, various stakeholders from Centre/states are involved that consume considerable time. Moreover, the hilly terrain and extreme geographical terrain of NER where execution of projects actually happens only for 2-4 months in a year, which ultimately delayed the projects that resulted into less expenditure.

**10. The Committee note that under the XII Plan outlay the proposed outlay by the Ministry of Textiles was ₹40,203.19 crore whereas the approved outlay was ₹25,931.19 crore. The cumulative expenditure from 2012-13 to 2016-17 is ₹18,081.61 crore only. The Committee further note that under utilization of allocated funds is also evident in other schemes being implemented by the Ministry, in Handloom sector, Handicraft**

sector, Powerloom sector, ISPSD and NIFT, for one reason or the other. To quote few such instances, under the schemes/programmes namely (i) Development of Mega cluster the RE was ₹544.24 crore whereas the expenditure was ₹369.36 crore, (ii) for research and development including TRAs, the RE was ₹83.95 crore whereas the actual expenditure is ₹39.81 crore only (iii) for Technological Upgradation Fund Scheme the RE was ₹10,127.88 crore whereas the actual expenditure is ₹9,773.78 crore. The Ministry have largely attributed it to the State agencies inability to get suitable land, to sanction activities in time, to furnish utilisation certificates etc. The Committee also observe that most of the schemes were late-starters. They further observe that the trend of under utilisation of allocated funds is continuing inspite of special efforts made by the Ministry since the actual expenditure of ₹18,081.61 crore out of ₹25,931.19 crore is only around 69.7% utilisation of funds. They therefore desire that foolproof measures be initiated at the earliest and the Committee be apprised accordingly.

### **III. ALLOCATION AND UTILISATION OF FUNDS DURING 2017-18 AND ANNUAL PLAN 2018-19**

11. Perusal of the documents furnished by the Ministry of Textiles revealed that for the Annual Plan Expenditure provided during the BE 2017-18 was ₹6,226.50 crore which was increased to ₹6,250.30 crore at the RE stage. As on 31<sup>st</sup> December, 2017, the Ministry have been able to utilise ₹4,574.57 crore. The total outlay proposed by the Ministry during 2018-19

was ₹10,109.05 crore which has been reduced to ₹7,147.73 crore by Ministry of Finance.

**₹ in crores**

<b>Year</b>	<b>BE</b>	<b>RE</b>	<b>Actual expenditure</b>
2017-18	6,226.50	6,250.30	4,574.57

12. In the above context, the Committee desired to know the likely Actual Expenditure by 31<sup>st</sup> March, 2018 and whether the Ministry would be able to utilise the remaining ₹1,675.73 crore (approx.) in the last three months of the 2017-18 fiscal.

In reply the Ministry stated as under:-

"As on 31<sup>st</sup> December, 2017 the Ministry has already spent 73.50% of the BE. Action is being taken to ensure optimal utilization of the approved revised Annual Plan outlay of 2017-18. The Ministry is making diligent efforts to spend the balance amount by the end of the financial year."

13. While deposing before the Committee, the Secretary, Ministry of Textiles highlighted the point that the budget increase would get offset by their committed liabilities. He submitted during evidence as under:-

"महोदय, पिछले साल बजट एस्टिमेट 6226.50 करोड़ था जो रिवाइज होकर 6250.80 हो गया। देखने से ऐसा लगता है कि हमने 24.30 करोड़ रुपए का इन्क्रीज हुआ, लेकिन यह 278.37 करोड़ कम हुआ है। इसका कारण यह है कि 2014-15 में कॉटन की उपज बहुत अच्छी हुई थी, जब अच्छा प्रोडक्शन होता है तो प्राइस कम हो जाता है। सरकार की नीति है कि एमएसपी जो डिक्लेयर्ड है, उससे कम यदि कॉटन का मार्किट रेट जाता है तो हम कॉटन कार्पोरेशन आफ इंडिया के माध्यम से उसे एमएसपी रेट पर प्रोक्योर करते हैं और उपयुक्त समय पर मार्किट में रिलीज करते हैं ताकि प्राइस स्टेबलाइज रहे। उस योजना के तहत जो खरीद हुई थी, उसमें जो लॉस होता है, उसे भारत सरकार रिइम्बर्स

करती है। दुर्भाग्यवश यह कई वर्षों से नहीं हो रहा था, हम इसकी मांग कर रहे थे, हमने 2800 करोड़ की मांग की थी जो ओवर एंड अबव हमारे बजट प्रोवीजन के तहत था। बजट कई स्कीमों के लिए मिला हुआ था। हमें 2800 तो नहीं लेकिन 300 करोड़ रुपए मिले, यदि 302.67 करोड़ रुपए को घटा दें तो बीई घटकर 278.37 करोड़ 6226.50 से घटा जाता है।"

14. The Committee then desired to know the areas where the savings/surrenders of funds were anticipated by the end of 31<sup>st</sup> March, 2018 and the precise reasons thereof. In reply, the Ministry apprised as follows:

"The details of the schemes/budget heads where savings are anticipated are given below in a table. Further, it is submitted that these savings will be utilized under RoSL and under the committed liabilities of CCI and TUFs. There will be no overall savings at the end of March, 2018:

<b>The details of the schemes/budget heads where savings are anticipated as on 31/03/2018</b>				
				<b>₹ in Crore</b>
<b>Sl. No.</b>	<b>Officers &amp; Schemes</b>	<b>BE 2017-18</b>	<b>RE 2017-18</b>	<b>Likely Savings</b>
	<b>REVENUE SECTION</b>			
	TUFS*	2013.00	1956.00	57.00
	PMPRPY	200.00	0.00	200.00
	Textile Export Intelligent & Promotion	1.90	1.40	0.50
	AEPC	1.00	0.00	1.00
	NER Textile Promotion Scheme	220.00	220.00	0.00
	Powerloom	136.76	114.70	22.06
	Mega Cluster	25.00	1.00	24.00
	TWRFS	5.00	2.00	3.00
	Commissioner of payment	0.50	0.20	0.30
	Integrated Processing Development Scheme	30.00	5.00	25.00
	SITP	50.00	40.00	10.00

Workers' Hostel	3.00	1.00	2.00
Flatted Factory cum Incubators	4.00	4.00	0.00
Wool	22.00	15.00	7.00
Pashmina Wool Development Programme	10.00	10.00	0.00
Commission of payment Jute	0.02	0.02	0.00
Secretariat,	32.00	32.00	0.00
International Contribution	1.50	1.20	0.30
Textile Commissioner	32.00	32.00	0.00
Jute Commissioner	11.00	9.94	1.06
Jute Corporation of India subsidy	40.00	40.00	0.00
Silk Mega Cluster	10.00	0.00	10.00
HRD (ISDS)	173.99	100.00	73.99
Usage of Geo Textiles in North East	15.00	15.00	0.00
Promoting Agro Textiles in North East	10.00	10.00	0.00
Research and Development	20.00	10.00	10.00
NIFT	60.00	30.00	30.00
TRAs	8.00	8.00	0.00
Handloom Weavers Comprehensive Welfare Scheme	32.00	25.00	7.00
Yarn Supply Scheme	242.00	200.00	42.00
National Handloom Development Programme*	136.00	125.00	11.00
Trade Facilitation Centre and Craft Museum	15.00	1.00	14.00
CHCDS - Handloom Mega Cluster	44.00	32.28	11.72
Weavers service centre	47.00	40.00	7.00
Reservation Act 1985	6.00	3.00	3.00
Development Commissioner(HL)	10.00	8.00	2.00
Development Commissioner(Enforcement)	4.00	3.00	1.00
Museum	19.50	8.00	11.50
Institute of Handloom Technology	13.50	12.00	1.50
*Rs.27 crore(NER-TUFS) to be reappropriated to DC(HC)			
Baba Saheb Ambedkar Hastshilp Yojana	5.00	5.00	0.00
Design & Technical Upgradation	60.00	55.00	5.00
Market Support & Services	50.00	45.00	5.00
Research and Development	6.00	5.00	1.00



	Handicraft Artisans Comprehensive Welfare Scheme	20.00	18.00	2.00
	Handicraft Mega Cluster	43.70	15.22	28.48
	Infrastructure & Technology Development	5.00	3.00	2.00
	Development of Other Craft in J&K	2.00	0.00	2.00
	Setting up Hast Kala Academy in Delhi	5.00	5.00	0.00
	Training and Extension	40.00	25.00	15.00
	Development Commissioner	11.00	11.00	0.00
	Marketing and Service Extension	20.90	18.00	2.90
	Economic & crafts	0.60	0.60	0.00
	Export Promotion	3.00	3.00	0.00
	Export Promotion Studies	1.10	0.20	0.90
	<b>TOTAL</b>			<b>653.21</b>
<b>CAPITAL SECTION</b>				
	Trade Facilitation Centre and Craft Museum	25.00	0.00	25.00
	NJMC	0.01	0.01	0.01
	Loan to BJEL	0.50	0.50	0.10
	<b>TOTAL</b>			<b>25.11</b>
	<b>Grand Total</b>	6226.50	6250.80	<b>678.32</b>

15. As would be seen from the above data, the likely surrender of Funds during 2017-18 under Revenue expenditure would be ₹653.21 crore whereas under Capital expenditure it would be ₹25.49 crore. The Ministry had submitted that this saving will be utilised under RoSL and under the Committed liabilities of Cotton Corporation of India (CCI) and Technological Upgradation Fund Scheme (TUFS) and thus, there will be no overall savings at the end of March, 2018.

16. The Committee then desired to know the measures taken/proposed to remove the impediments encountered during 2017-18 so as to maximise utilisation of funds during 2018-19. In reply the Ministry stated as follows:-

"Under programmes/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. Regional Conferences under the chairmanship of Secretary (Textiles) with State Governments have been held ( in the Southern Region on 15<sup>th</sup> September, 2017 at Hyderabad, with Eastern States on 11<sup>th</sup> September 2017 at Kolkata, with Western States on 19<sup>th</sup> September, 2017 at Mumbai and with Northern Region on 27<sup>th</sup> September, 2017 at New Delhi) during 2017-18 to discuss implementation and off take under the schemes. These efforts will be continued and it is anticipated that the fund allocated during 2018-19 will be fully utilized. Further, in the course of the extension of schemes beyond XII Plan period, the guidelines for several schemes have been revised and made more outcome-oriented".

17. In the above context, the Committee asked if non-receipt of viable proposals and non furnishing of utilization certificates of past allocations from implementing agencies has resulted in under utilization of allocated funds, alongwith the efforts made by the Ministry to increase receipt of viable proposals and furnishing of utilization certificates from implementing agencies. In reply, the Ministry submitted as follows:-

"Under programmes/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. Regional Conferences have been held with state governments in Northern Region, Southern Region, Eastern Region and Western Region to review and improve implementation of schemes. Meetings are also held with stakeholders and implementing agencies to identify and remove hindrances in implementation of the schemes. Settlement of pending UCs are also being taken up on top priority as follows:-

- (i) Meeting with Implementing Agencies for closer monitoring of the schemes.
- (ii) Pragmatic approach without any deviation from GFR guidelines have been taken to settle the pending UCs.
- (iii) Workshops with IAs have been conducted to make them aware about the requirement of the Scheme guidelines.

In the light of ground realities; requirement of the State Governments and the changes necessitated upon restructuring of schemes by converting National Handloom Development Programme (NHDP), National Handicraft Development Programme (NHDP), Integrated Scheme for Development of Silk Industry (ISDSI), PowerTex India and Integrated Wool Development Programme (IWDP) into composite scheme."

**18. The Committee note that the BE 2017-18 for Annual Plan expenditure was ₹6,226.50crore which was enhanced to ₹6,250.30 crore at the RE stage. The Plan expenditure as on 15<sup>th</sup> February,**

2018 has been ₹4,652.07 crore (74.72 percent) and the Ministry are hopeful of 100 percent expenditure by 31<sup>st</sup> March, 2018. In this context, the Committee find that the likely surrender of funds in the Plan expenditure would be to the tune of ₹678.70 crore and most of the savings are anticipated under PMPRY, TUFs, IPDS, HRD(ISDS, NIFT, Yarn supply and Handicraft Mega cluster. However, from the submission of the Ministry, the Committee note that these savings will be utilised under RoSL and the committed liabilities of CCI and TUFs hence there will ultimately be no overall savings at the end of March, 2018. The Ministry are reportedly taking specific steps to ensure regular flow of proposals from States like conducting various meetings/conferences with State Governments to discuss off-take under the schemes during the year 2017-18. Settlement of pending UCs is separately being prioritised. The Committee have further been informed about requisite changes being incorporated in handloom & handicraft schemes, ISDSI, IWDP & PowerTex India, based on States' feedback. The Committee appreciate these efforts and feel that since the Government is focusing on the Textile Sector and providing special financial packages to it, the Ministry should strive hard to utilise all the available avenues.

#### **SUPPLEMENTARY DEMANDS FOR GRANTS (2018-19)**

19. Perusal of the documents furnished by the Ministry of Textiles has revealed that Supplementary Demands requested by them during 2017-18, their proposal to request ₹20 crore for NHDP and ₹2,898.50 crore for procurement of cotton for CCI have not been agreed to by the Ministry

of Finance. In this regard the Committee desired to know the Ministry's proposal to match the gap in this year and also the impact of Ministry of Finance's refusal on the NHDP Scheme and procurement of Cotton by CCI. In reply, the Ministry submitted as under:-

"(a) The proposal to request of ₹20 crore for National Handloom Development Programme (NHDP) was made by the Ministry of Textiles on the Supplementary Demand for construction of building for Indian Institute of Handloom Technology (IIHT), Fulia (West Bengal) under major works. At present IIHT, Fulia is functioning from a building provided by the Government of West Bengal. The land has been provided by the State Government for construction of own building of IIHT, Fulia. The construction work of building is under progress on the land. Additional funds will, however be sought during the Supplementary Demand for Grants in 2018-19.

(b) A sum of ₹2,898.50 crore was sought to meet the committed liabilities of expenses incurred by CCI under MSP operations. CCI is engaged in MSP operations whenever market prices of kapas fall below the minimum price. During the MSP operations, CCI makes immediate payment to cotton farmers. For this purpose, CCI resorts to bank borrowings from the scheduled commercial banks. The net loss on account of MSP operations are reimbursed by Government of India. Therefore, lower allocation of funds to CCI leads to higher interest costs on bank borrowings, made for making payment to cotton farmers. At present, CCI is making interest payments of more than ₹21 crore per month. Accordingly, additional funds shall be sought for reimbursement of losses of CCI, at the stage of 1<sup>st</sup> Supplementary in 2018-19."

" In order to understand the MSP operations of CCI, the Committee sought details of MSP losses from crop year 2014-15 as well as the position of outstanding MSP losses upto 31.12.2017, totalling ₹3,186.01 crore, which was furnished as under:

**Statement showing Crop Year wise MSP Losses Outstanding as on 30.09.2016**

(₹. in Crore)

Financial Year	Crop Year 2014-15	Crop Year 2015-16	Total
<b>F.Y. 2014-15 (Principal)</b>	198.83	0.00	198.83
<b>(Interest)</b>	336.79	0.00	336.79
<b>MSP Loss Total</b>	<b>535.62</b>	<b>0.00</b>	<b>535.62</b>
<b>F.Y. 2015-16 (Principal)</b>	2014.75	136.51	2151.26
<b>(Interest)</b>	801.98	75.83	877.81
<b>MSP Loss Total</b>	<b>2816.73</b>	<b>212.34</b>	<b>3029.07</b>
<b>F.Y. 2016-17* (Principal)</b>	0.34	-56.80	-56.46
<b>(Interest)</b>	95.99	57.53	153.52
<b>MSP Loss Total</b>	<b>96.33</b>	<b>0.73</b>	<b>97.06</b>
<b>Total MSP losses</b>	<b>3448.68</b>	<b>213.07</b>	<b>3661.75</b>
<b>Principal</b>	2213.92	79.71	2293.63
<b>Interest</b>	1234.76	133.36	1368.12
<b>Total MSP Losses</b>	<b>3448.68</b>	<b>213.07</b>	<b>3661.75</b>
<b>Less : MSP Loss Reimbursement Received</b>	862.35	0	<b>862.35</b>
<b>Balance MSP Losses as on 30.09.2016</b>	<b>2586.33</b>	<b>213.07</b>	<b>2799.40</b>

\* Upto 30.09.2016

**Statement showing Crop Year wise MSP Losses Outstanding as on 31.12.2017**

(₹. in Crore)

Financial Year	Crop Year 2014-15	Crop Year 2015-16	Crop Year 2017-18	Total
<b>F.Y. 2014-15 (Principal)</b>	198.83	0.00	0.00	198.83
<b>(Interest)</b>	336.79	0.00	0.00	336.79
<b>MSP Loss Total</b>	<b>535.62</b>	<b>0.00</b>	<b>0.00</b>	<b>535.62</b>
<b>F.Y. 2015-16 (Principal)</b>	2014.75	136.51	0.00	2151.26
<b>(Interest)</b>	801.98	75.83	0.00	877.81
<b>MSP Loss Total</b>	<b>2816.73</b>	<b>212.34</b>	<b>0.00</b>	<b>3029.07</b>
<b>F.Y. 2016-17 (Principal)</b>	-0.20	-30.01	0.00	-30.21
<b>(Interest)</b>	216.36	66.32	0.00	282.68
<b>MSP Loss Total</b>	<b>216.16</b>	<b>36.31</b>	<b>0.00</b>	<b>252.47</b>
<b>F.Y. 2017-18*Principal)</b>	0.00	0.00	50.78	50.78
<b>(Interest)</b>	159.33	14.63	6.46	180.42
<b>MSP Loss Total</b>	<b>159.33</b>	<b>14.63</b>	<b>0.00</b>	<b>231.20</b>
<b>Total MSP losses</b>	<b>3727.84</b>	<b>263.28</b>	<b>57.24</b>	<b>4048.36</b>
<b>Principal</b>	2213.38	106.50	50.78	2370.66
<b>Interest</b>	1514.46	156.78	6.46	1677.70
<b>Total MSP Losses</b>	<b>3727.84</b>	<b>263.28</b>	<b>57.24</b>	<b>4048.36</b>

<b>Less : MSP Loss Reimbursement Received</b>	862.35	0	0	<b>862.35</b>
<b>Balance MSP Losses as on 31.12.2017</b>	<b>2865.49</b>	<b>263.28</b>	<b>57.24</b>	<b>3186.01</b>

\* Upto 31.12.2017

## **SHORTFALL IN SCHEMES**

20. During their perusal of the documents furnished by the Ministry, the Committee noted shortfall in many schemes in the last three years viz. Handloom industries ₹251.40, in handicraft's ₹154.90 crore, wool ₹10.45 crore, powerloom services ₹64.41 crore, TUFS ₹632.95 crore, PMRPY ₹200 crore and overall ₹1,664.83 crore. Despite the Government of India's special package availability, the overall scenario did not seem to be promising, hence the Committee asked the Ministry to comment on the above context.

In reply the Ministry stated as under:

"The BE 2017-18 of the Ministry was ₹6,226.50 crore. Against this allocation, the Ministry spent ₹4,574.57 crore upto 31.12.2017 which was 73.50% of the BE. This expenditure was higher than the expenditure target of 67% prescribed by the Ministry of Finance. Keeping in view the requirements under various schemes, the Ministry of Textiles had sought ₹11,595.91 crore as the Revised Estimates for 2017-18. However, the actual allocation made by Ministry of Finance for RE 2017-18 was ₹6,250.80 crore. This includes ₹302.67 crore for cotton (Reimbursement of CCI's losses). Therefore, in reality, there was a reduction of ₹278.37 crore for various schemes, as compared to the BE for 2017-18. It is expected that the entire allocation under RE which is ₹6,250.80 crore shall be spent by 31.03.2018."

## **ANNUAL PLAN 2018-19**

21. In regard to Annual Plan 2018-19 fund allocation, the Ministry furnished the following information:

(₹ in crore)				
Sl. No.	Name of Scheme	BE 18-19 Prop. by Min/Dep	Remarks	Budget Allocated 2018-19
	<b>Non Schemes</b>			
	Secretariat	35.00	Salary and Establishment	33.85
	Textiles Commissioner	45.00	Salary and Establishment	34.00
	Jute Commissioner	15.00	Salary and Establishment	11.00
	<b>Total Non Scheme</b>	<b>95.00</b>		<b>78.85</b>
	<b>Central Sector Schemes</b>			
1	TUFS	2153.91	Unpaid Committee Liabilities	2300.00
2	Cotton Corporation	2898.49	For undertaking MSP operations	924.00
3	National Handloom Development Programme*	139.08	Construction of building of Weaver Service Centre at Varanasi and Cannore	100.00
4	Handloom Weavers Comprehensive Welfare Scheme	32.00		19.00
5	Yarn Supply Scheme	307.48	Enhanced in BE is as per SFC projections.	150.00
6	Trade Facilitation Centre and Craft Museum	0.00		0.76
7	CHCDS - Handloom Mega Cluster	37.00		35.00
8	Weavers service centre	49.00		34.20
9	<b>Other Handloom Schemes</b>			
	Development Commissioner(Handloom)	11.00		6.08



	Development Commissioner(Enforcement)	4.14		2.28
	Museum	19.00		6.08
	Reservation Act 1985	6.00		2.28
	Institute of Handloom Technology	15.12		9.12
<b>10</b>	Training and Extension	35.00		19.00
<b>11</b>	Design & Technical Upgradation	78.60	salary and Stipend liabilities	41.80
<b>12</b>	Baba Saheb Ambedkar Hastshilp Yojana	5.00		3.80
<b>13</b>	Market Support & Services	45.60		34.20
<b>14</b>	Handicraft Artisans Comprehensive Welfare Scheme	18.75		13.68
<b>15</b>	Research and Development	6.00		3.80
<b>16</b>	Human Resource Development	25.00	Committed Liabilities	11.40
<b>17</b>	Infrastructure & Technology Development	6.00		2.28
<b>18</b>	Development of Other Craft in J&K	2.00		0.00
<b>19</b>	Handicraft Mega Cluster	52.10	More mega clusters	30.00
<b>20</b>	Other Handicrafts Schemes		Salary and Stipend liabilities	
	Development Commissioner	12.00		8.36
	Marketing and Service Extension	23.17		13.68
	Economic & crafts	0.60		0.46
	Export Promotion	3.00		2.28
	IICT	6.50		3.80
<b>21</b>	Setting up Hast Kala Academy in Delhi	5.00		3.80

22	Wool Development Board	0.00	New Integrated Wool Development Programme (Umbrella Scheme) has been formulated with object head GI A Genral/Creation of Capital Assets/Salaries in 1st Batch of supplementry provision for RE 2017-18 and BE 2018-19 will be made accordingly	0.00
23	Integrated Wool improvement and Development Programme	0.00	- do -	0.00
24	Quality Processing of Wool and Woolen Scheme	0.00	- do -	0.00
25	Pashmina Wool Development Programme	0.00	- do -	0.00
	<b>Umbrella Scheme Integrated Wool Development programme</b>	<b>42.00</b>	Enhanced in BE is as per SFC projections.	11.45
26	Grants towards Development of Silk	774.71	payment of revised/allowances/arrea rs as 7th CPC L39	500.61
27	Silk Mega Cluster	10.00		10.00
28	Payment against collection of Jute	54.00	for salary wages of NJB	19.00
29	Jute Corporation of India subsidy	40.00	MSP operations of Jute	7.60
30	<b>others (IJIRA, COPUJC)</b>			
	Commissioner of payment Jute	0.02		0.02
	IJIRA	3.50		1.52

31	Integrated Scheme for Powerloom Sector Development	0.00	New Powertex India has been formulated with a provision of 272.03 crore for Be 18-19, will be made accordingly. Increase in BE 2018-19 is based on flow of claims for upgrading 150.00 lakh plain powerloom LLNC committed liabilities/seminars/workshops	0.00
32	Group Workshed Scheme		- do -	0.00
33	Scheme for in-situ upgradation of plain powerlooms		- do -	0.00
35	Group Insurance Scheme	5.28	- do -	0.00
34	Powerloom Mega Cluster	25.00		25.00
	<b>Power-tex India</b>	272.03		87.15
36	Integrated Processing Development Scheme	50.00	two projects needs release of 2nd and 3rd installments.	3.80
37	SITP	80.00	for funding 19 textile parks have now gathered momentum.	30.00
38	Workers Hostel	1.02		0.76
39	Textile Committee	20.00	7th Pay Commission commitment	11.40
40	Flatted Factory cum Incubators	8.93	Out of three projects two projects need to release of next increment of Rs. 4.00 crore each.	3.00
41	Remission of State levies	1663.85	BE 18-19 is as per MTEF ceiling by MOF	2163.85
42	PMRPY	100.00		10.00
43	Export Promotion Studies	2.65		0.90
44	Textiles Labour Rehabilitation Scheme	5.00		1.50
45	AEPC	1.00		0.00
46	<b>Other (TRAs, COP)</b>			
	TRAs	10.00		7.25
	Comissioner of payment	0.50		0.50

	Interational Contribution	1.50		0.91
47	HRD (ISDS)	455.00	BE 18-19 is as per outlay recommended by EFC	200.00
48	Research and Development	20.00		11.00
49	NIFT	60.00		30.00
50	NER Textile Promotion Scheme	250.00	As per EFC projections	90.00
51	Usage of Geo Textiles in North East	15.00		15.00
52	Promoting Agro Textiles in North East	10.00		7.60
53	Technology Mission Knitwear (New)	0.00		0.01
54	Technology Mission Knitwear (New)	0.00		0.01
55	Technology Mission Knitwear (New)	0.00		0.01
	<b>Total CS Scheme</b>	<b>10072.53</b>		<b>7109.84</b>
	<b>Capital Section</b>			
1	National Handloom Development Programme*	36.00	Construction of building of Weaver Service Centre at Varanasi and Cannore	37.37
2	Trade Facilitation Centre and Craft Museum	0.00		0.00
3	British India Corporation	0.01		0.01
4	NJMC	0.01		0.01
5	Loan to BJEL	0.50		0.50
	<b>Total Capital Section</b>	<b>36.52</b>		<b>37.89</b>
	<b>GRAND TOTAL</b>	<b>10109.05</b>		<b>7147.73</b>

As regards the details of the Budget proposals of the Ministry for the year 2018-19 and the amount actually provided by the Ministry of Finance, the Ministry stated that the total outlay proposed by the Ministry of Textiles for

the year 2018-19 was ₹10,109.05 crore whereas the Ministry of Finance approved ₹7,147.73 crore only.

22. While deposing before the Committee, the Secretary, Ministry of Textiles stated as follows:

"इसी तरह बीई 2018-19 को देखें तो सतही तौर पर लगता है कि 6226.50 से बढ़कर 7147.73 पर पहुंच गए हैं, जो लगभग 921.23 करोड़ ज्यादा है। सीसीआई का लॉस जो काफी पहले उनको दे दिया जाना चाहिए था, उसका 924 करोड़ इन्वाल्व है। मेरे कहने का मतलब है कि 2018-19 का वास्तविक बजट इस साल के बीई से तीन करोड़ कम है। इसका परिणाम यह होगा, अभी हाल ही में हमने स्किल डैवलपमेंट की स्कीम एप्रूव तीन साल के लिए कराई है, जो 1300 करोड़ रुपए की है। इसके तहत हमने दस लाख लोगों को ट्रेनिंग देनी है, जिसमें नौ लाख आर्गेनाइज सैक्टर में और एक लाख ट्रेडीशनल सैक्टर में होंगे। 1300 करोड़ के विभाजन के हिसाब से पहले साल में, यानी 2017 चल रहा है, इसमें 320.71 करोड़ मिलना चाहिए था। हमारे खर्च का पेस लगभग वैसा ही था, हम इसे कर सकते थे, लेकिन जब पता चला कि केवल 100 करोड़ मिलना है तो हमें अपने प्लान को कट करना पड़ा। अब हमने अपने खर्च को रोका हुआ है और सैक्टरल रिक्वायरमेंट को मीट करने की कोशिश कर रहे हैं। हमें 321.71 करोड़ रुपए चाहिए था, जो तीन महीने पहले एप्रूव हुई है, उसके हिसाब से 1/3 पैसा मिला। आने वाले साल में इस स्कीम के तहत 460.44 करोड़ मिलना चाहिए था।

मेरा कहना है कि बजट में 921 करोड़ की बढ़ोतरी दिख रही थी, वह वास्तव में नहीं है। उसका प्रभाव उन स्कीमों पर पड़ेगा, जिसका जिक्र मैं प्रेजेंटेशन में करूंगा। स्किल डैवलपमेंट प्रोग्राम जिसमें एप्रूव्ड स्कीम, जो वित्त विभाग के कंसलटेशन के बाद कैबिनेट द्वारा एप्रूव्ड है, उसमें 460 करोड़ मिलना था, लेकिन इस साल 2018-19 में 200 करोड़ मिलेगा।

पावर टेक्स, हमारी बहुत महत्वपूर्ण स्कीम है, क्योंकि 56 प्रतिशत कपड़ा पावरलूम से बनता है और इसमें छोटे-छोटे लोग इनवाल्ड हैं। हमारी कोशिश यह थी कि हम अगले तीन साल में सारे पावरलूम्स को अपग्रेड कर लें। इसके लिए अगले साल की हमारी जरूरत 162 करोड़ रुपये की थी, लेकिन हमें केवल 87 करोड़ रुपये मिले हैं। इस साल हमारी जरूरत 144 करोड़ रुपये की थी, हमें 115 करोड़ रुपये मिले हैं। तीसरी स्कीम आरओएसएल की है, जो एक्सपोर्ट प्रमोशन के लिए बनी थी। इसमें हमारी इस साल की जरूरत 3954 करोड़ रुपये थी और हमें 1855 करोड़ रुपये मिले हैं। अगले साल में 2163 करोड़ रुपये मिले हैं। यदि हम इस साल के प्रावधान और अगले साल के प्रावधान को जोड़ दें तो हम केवल इस साल के अपने दायित्वों को पूरा कर पाएंगे। कहने का मतलब यह कि अगर हम अगले साल का बजट अप्रैल तक खत्म कर लें तो अगले पूरे साल हमारा हाथ खाली रहेगा और हम एक्सपोर्ट्स को कोई भी रिडिम्बर्समेंट नहीं दे सकेंगे। यहां हमारी स्थिति बहुत गंभीर है और हम निवेदन करेंगे कि समिति की संस्तुतियों में इसका उल्लेख हो। इसी तरह सीसीआई के लिए हमें इस साल 300 करोड़ रुपये मिले हैं और अगले साल के लिए लगभग 900 करोड़ रुपये मिले हैं, इसके बावजूद करीब 2500 करोड़ रुपये की देनदारी बचती है, यदि उसका भुगतान नहीं होगा तो हम हर साल लगभग 250 करोड़ रुपये ब्याज के रूप में बैंकों को देते रहेंगे, जिनसे हमने लोन लेकर कॉटन खरीदा था। यह ब्रॉड हाईलाइट है। आपने खर्च की बात कही थी, सितम्बर में हमारा 50 प्रतिशत खर्च एक्सपेक्टेड था, हमने 54 प्रतिशत किया है, वही एक लैंडमार्क है, जिसके आधार पर हमारा आगे का आरई और बीई तय होता है। हम खर्च करने में कहीं नहीं चूके थे, लेकिन कुछ अन्य कठिनाइयों के कारण हमें वित्त विभाग से उतनी मदद नहीं मिल सकी, जितनी हमारी योजनाओं को चाहिए थी।"

23. Asked to state the reasons for sharp reduction in BE allocation for the fiscal year 2018-19 and the extent to which such curtailment would impact the implementation of these schemes as it is even lower than actual expenditure utilised by Ministry of Textiles till 01.01.2018 in the schemes like Handloom Industries (yarn supply scheme, Handloom Weavers comprehensive welfare scheme, Trade facilitation centre and crafts museum

and others), Wool and Woollen, Grant to Institute of Fashion Technology, Scheme for Integrated Textiles Park and North East Textile Promotion Scheme.

In reply, the Ministry submitted as under:

"The overall budget allocation sought by the Ministry of Textiles for 2018-19 was ₹10,109.05 crore. However, the Ministry of Finance allocated only ₹7,147.73 crore, which included ₹1,300 crore for CCI against the committed liabilities of previous years. Thus, the BE 2018-19 was effectively only ₹5,847.73 crore for the ongoing schemes. Ministry of Finance also earmarked specific amounts for ATUFS, Mega clusters, Skill Development, MSP operations of Cotton Corporation of India (CCI) and RoSL totaling to ₹6,263.85 crore leaving thereby only ₹883.88 crore for all the other schemes. Therefore, the funds for all these schemes got reduced. The Ministry with the approval of the AS & FA rationalized the allocation to the extent of 10% of the earmarked funds to ensure that adverse impact of reduced allocation on the ongoing schemes is mitigated to some extent. With the same objective the BE 2018-19 for NIFT has been retained at RE 2017-18 level, *i.e.*, at ₹ 30 crore".

**24. The Committee note that against the Ministry's proposed outlay of ₹10,109.05 crore during the year 2018-19, the Ministry of Finance have approved ₹7,147.73 crore only. The Secretary, Ministry of Textiles has deposed that though it appears that B.E 2018-19 ( which include CCI's loss of ₹921.23 crore) is more than the B.E 2017-18 by ₹921.23 crore, in reality BE 2018-19 is ₹3 Crore less than the BE of the 2017-18. The Committee were**

further informed that a Skill Development Scheme for three years to train 10 lakh persons with an amount of ₹1,300 crore was approved for the Ministry, for which ideally they should get ₹320.71 crore for each of the three years, but as the Ministry of Finance released only ₹100 crore, the Ministry of Textiles had to curtail their plans to train people under the scheme. It was further stated that proposed amount has been reduced by the Finance Ministry in other schemes too like PowerTex, RoSL, etc. The Committee, also note that the Ministry in their written replies themselves submitted that keeping in view their past expenditure trend, the Ministry of Finance had curtailed the proposed amount of the Textiles Ministry. Further, the Committee note that reduction in BE of 2018-19 would adversely impact implementation of ongoing schemes of the Ministry of Textiles, particularly those aimed at benefitting the unorganised sectors of Powerloom, handloom, handicrafts, wool, and sericulture. In this regard, the Committee desire the Ministry to adhere to the principles of Budget management and financial prudence like ceiling of not more than 33 percent expenditure of BE in the last quarter, not more than 15 percent expenditure of BE in the last month of the fiscal year and preparation of monthly/ quarterly expenditure targets with due diligence so that the set targets could remain achievable, the Finance Ministry could be convinced about the reasonableness of the allocation proposed by the Ministry of Textiles and hence does not curtail the Ministry's allocation at RE stage.



#### **IV. PHYSICAL TARGETS AND ACHIEVEMENTS**

26. In regard to physical targets and achievements during 2017-18, the Ministry has submitted the following details which are annexed at Annexure- I.

27. A scrutiny of the above data revealed that in a number of Schemes like Mill gate price scheme, Handloom weaver comprehensive welfare scheme, yarns supply scheme under NHDP; Baba Saheb Ambedkar Shilp Vikas Yojna, R&D under NHDP (Handicrafts); Integrated Scheme for Development Silk Industry (ISDSI), R&D, seed organisation under Sericulture; Group Insurance Scheme (under Power Tex); Scheme for Integrated Textile Park (SITP); Integrated Scheme for Skill Development, there have been shortfalls in achieving the targets set for 2017-18.

28. In the above context, the Committee asked the Ministry to attribute the reasons for shortfalls in the above mentioned schemes and measures taken/ proposed to ensure optimal achievement of targets set for various schemes during 2017-18. In reply, the Ministry submitted as under:-

**(i) Mill gate price scheme, Handloom weaver comprehensive welfare scheme under NHDP, yarns supply scheme:** There was no shortfall in the Yarn Supply scheme/Mill Gate Price scheme, where there was shortfall under Handloom Weavers Comprehensive Welfare scheme as the weavers did not turn up for enrolment.

**(ii) Baba Saheb Ambedkar Ship Vikas Yojna, R&D, NHDP (Handicrafts):** The shortfall in achievement of targets was due to non-receipt of viable

proposals and more time taken in selection & identification of artisans to be benefitted through transparent method by involving state agencies also.

**(iii) Integrated Scheme for Development Silk Industry (ISDSI), R&D, seed organisation under Sericulture:** The progress reported for the year 2017-18 (up to January, 2018) under the scheme is given below: **(LOPs replies, Page No.12, Point No.15)**

#	Name of the Scheme /Component	Target	Achievement (Upto January,2018)	% of Achievement
	<b>Integrated Scheme for Development of Silk Industry</b>	Raw Silk Production Mulberry CB : 17276 Mulberry Biv: 6200 Vanya : 10364 <b>Total :33840</b>	Raw Silk Production Mulberry CB : 13202 Mulberry Biv: 4777 Vanya : 6348 <b>Total :24326</b>	<b>72%</b>
i	Research & Development, Training, Transfer of Technology & IT Initiatives	(i) Projects to be initiated – 50 (ii) Projects to be concluded – 36 (iii) Capacity Building & Training - 15270 persons	<b>(i)</b> Projects initiated – 34 <b>(ii)</b> Projects concluded -23 (iii) Capacity Building & Training -13340 persons.	<b>68%</b> <b>64%</b> <b>87.36%</b>
ii	Seed Organization	Production of disease free layings (dfis) – Lakh Nos. Mulberry - 440.00 Tasar - 51.08 Muga - 8.07 Eri - 6.00 <b>Total - 505.15</b>	Production of disease free layings (dfis) – Lakh Nos Mulberry - 279.97 Tasar - 52.42 Muga - 6.33 Eri - 5.97 <b>Total - 344.69</b>	<b>68%</b>
iii	Quality Certification Systems / Export Promotion / Brand Promotion & Technology Up gradation	Silk mark labels -27.50 lakh Authorized users -250 lakh Programmes/exhibitions/ road	Silk mark labels-20.69 lakh Authorized users -232 lakh Programmes/exhibitions/ road	<b>75.23%</b> <b>93%</b>

		shows – 450 Nos.	shows – 452 Nos	<b>100.4%</b>
--	--	------------------	-----------------	---------------

The Ministry claimed that targets have been achieved to the maximum extent by January, 2018. The entire targets will be achieved by the end of the Year 2018-19. Hence, there will be no short fall in the achievements.

(iv) Group Insurance Scheme (under Power Tex): 1,15,696 Powerloom workers have been insured against the target of 2,35,000 and ₹3.34 crore have been utilized upto 16.02.2018 against the revised allocation of ₹4.00 crore. Therefore, the financial target achieved is 84% upto 16.02.2018. 100% of the fund allocation under RE will be utilized by 31<sup>st</sup> March, 2018. The number of workers, covered under the scheme will accordingly increase subject to the limits of financial allocation.

(v) Integrated Scheme for Skill Development (ISDS): The continuation of ISDS in 12<sup>th</sup> Plan was approved in August 2013. It took some time for empanelling and sanction of training targets to new agencies. Also, Component–III of the Scheme which envisages participation of all states for achieving targets was operationalized during 2014-15. It is submitted that only 15 states had submitted proposals for sanction of training targets. Some of the state agencies could not achieve the sanctioned targets. This resulted in less utilization of funds and hence shortfall in physical achievement.

### **HANDLOOM WEAVER COMPREHENSIVE WELFARE SCHEME**

29. It is stated that Health Insurance Scheme (HIS) has been discontinued after 30.09.2014 and subsumed under Rashtriya Swasthya Bima Yojana

(RSBY) since 29.03.2016. However, under Handloom Weaver Comprehensive Scheme, an amount of ₹32 crore has been allocated as BE 2017-18 which was reduced to ₹25 crore at RE stage. The Ministry have been able to utilise ₹19.87 crore till 01.01.2018.

In this regard, the Committee enquired about the state wise number of weavers enrolled under Rastriya Swasthya Bima Yojna (RSBY) since its inception.

(i) *The State-wise number of weavers enrolled under RSBY during 2016-17 is as under:*

<b>State</b>	<b>No. of weavers enrolled</b>
<i>Bihar</i>	381
<i>Odisha</i>	41,180
<i>Tamil Nadu</i>	1,44,294
<i>West Bengal</i>	1,28,219
<i>Meghalaya</i>	31,399
<i>Mizoram</i>	876
<b>Total</b>	<b>3,46,349</b>

30. In the documents furnished to the Committee, the Ministry have stated that the reasons for shortfall in utilisation of funds during 12<sup>th</sup> Five year plan in Handloom sector are, weavers not coming for enrolment under Handloom Weavers Comprehensive Welfare Scheme, non-receipt of viable proposals, for availing benefit under Comprehensive Handloom Cluster Development Scheme, weavers not turning up for Mudra loans etc.,.

₹ in crore

<b>Scheme/ Programme</b>	<b>RE</b>	<b>Actual expenditure</b>
National Handloom Development Scheme (NHDS)	2,079.45	1,386.54

31. In the above context, the Committee enquired about the reasons for lack of enthusiasm among the weavers to avail benefits under the Scheme and desired to know the measures taken by the Ministry to tackle the above impediments and it, further, desired to know whether these measures improved the number of beneficiaries. The Committee Also noted that as now the Budget Estimates for 2018-19 is drastically reduced from ₹6 crore to ₹1 crore, whether the scheme is due to be winded up.

In their reply, the Ministry stated as under:-

"It appears that the main reason for less response from weavers is the lack of awareness among the weavers about the various on-going handloom schemes. Therefore, the Ministry of Textiles organised 192 Hastkala Sahyog Shivirs during 7<sup>th</sup> to 17<sup>th</sup> October 2017 across the country for:

I. Collection of applications/sanction of MUDRA Loans

So far, number of loans sanctioned during 2016-17 and 2017-18 is as follows:-

<b>Year</b>	<b>No. of beneficiaries/ weavers</b>	<b>Total loan sanctioned (₹ in crore)</b>
2016-17	26527	138.30
2017-18 (upto 31.12.17)	25046	130.80

- II. Collection of orders for looms & accessories and distribution of looms & accessories.
- III. Collection of applications for Yarn Passbooks/distribution of yarn passbooks.
- IV. Collection of orders for supply of yarn under Yarn Supply Scheme.
- V. Collection of applications for NIOS/IGNOU courses
- VI. Awareness of the following:
  - a) eDhaga App
  - b) Bunkar Mitra helpline
  - c) Geographical Indications
  - d) GST
  - e) Handloom Schemes
  - f) India Handloom Brand

*113 Hathkargha Sahyog Shivirs were being again organized by Ministry of Textiles across the country from 19<sup>th</sup> to 24<sup>th</sup> February 2018 to encourage handloom weavers to enroll under various schemes including Handloom Weavers Comprehensive Welfare Scheme. It is expected to improve the number of beneficiaries availing benefits. "*

## **V. SOME MAJOR ONGOING AND NEW SCHEMES**

32. The Committee have been informed that an exercise for the rationalization of Plan Schemes/Sub-Schemes to ensure efficient management of public expenditure was undertaken by the Ministry and from the financial year 2015-16, the various Schemes/Sub-Schemes have been clubbed together under the following Major Schemes/Programmes:

- I. National Handloom Development Programme
- II. National Handicraft Development Programme

- III. Development of Silk Textiles
- IV. Powerloom Promotion Schemes (Promotion of Organized Textiles Industry under Technology Upgradation Fund Scheme)
- V. Development of Woollen Textiles
- VI. National Institute of Fashion Technology
- VII. Textile Infrastructure and Mega Clusters
- VIII. R&D and Institutional Development
- IX. Development of Jute Textiles
- X. Development of Textiles in North East

33. The Committee desired to know the status, target and achievement of each of the above said Major Schemes/Programmes highlighting *inter-alia* the thrust areas, impediments faced and steps taken by the Ministry to accomplish the mission in 2018-19 and beyond. The Committee, further, desired to know what extent the rationalisation of schemes and efficient management of expenditure could be achieved since under all schemes shortfall of expenditure has been witnessed.

In reply, the Ministry submitted as under:-

"Under **(a) National Handloom Development Programme** (NHDP), targets and achievements are as under :-

Sl. No.	Scheme	Target	Achievement
(a)	Block level cluster (in number)	75	57
(b)	Mudra Loan (no. of weavers)	50,000	25069
(c)	No. of marketing events	200	177

**(b) National Handicraft Development Programme:** The details are as under :-

Schemes	Target	Achievement (by 31.01.2018)	Thrust Area	Steps taken by the office to accomplish the mission in 2018-19 and beyond. (by 31.01.2018)
Baba Saheb Ambedkar Hastship Vikas Yojana (AHVY)	120 Cluster	65 Baseline Survey 70 Soft Interventions	<ul style="list-style-type: none"> <li>To provide Artisans ID Card "Pahchan".</li> <li>To provide tools &amp; equipment.</li> <li>To provide marketing platform.</li> <li>To revive the traditional skills as well as upgradation of skills including soft skills.</li> <li>To set up permanent marketing infrastructure to provide direct marketing facilities.</li> <li>To ensure availability of concessional credit to artisans through interest subvention.</li> </ul>	<ul style="list-style-type: none"> <li><b>"Pahchan Initiative" was launched on 7<sup>th</sup> October 2016 for better targeting of artisans to enable their easy and smooth access to the benefit they are entitled to. 14 lakh Pahchan I cards have been distributed.</b></li> <li><b>3805 number of Toolkits distributed to the artisans.</b></li> <li><b>Under Marketing Support &amp; Services Scheme, 160 numbers of Domestic events and 86 International events organised benefitting 10860 and 1770 artisans directly.</b></li> <li><b>Under Human resource Development Scheme, 313 training programmes benefitting 6340 artisans.</b></li> <li><b>Under Infrastructure Technology &amp; Development Scheme, Raw Material Depot, Common Facility Centre and Marketing &amp; Sourcing Hub approved at J &amp; K, Himachal Pradesh and Odisha respectively.</b></li> <li><b>Under Design &amp; Technology Upgradation scheme, 71 numbers of Design and Integrated Workshops organised benefitting 2370 artisans directly.</b></li> <li><b>3958 number of Mudra Loans for an amount of Rs.12.01 crores sanctioned.</b></li> </ul>
Design & Technical Up gradation Scheme	152 Program mes Tool Kits Distributi on	71 Programmes 3805 Tool Kits		
Marketing Support & Services and Export Promotion Scheme	Support for 177 Domestic events  85 Internati onal events	160 Domestic events  86 International Events		
Human Resource Development	234 Program mes	313 Programmes		
Handicraft artisans Comprehensive Welfare Scheme	24.00 Lakh for ID cards, 8.00 Lakhs for AABY 10000 Support to artisans in indigent circumst ances	17.22 lakhs ID Card Printed AABY- Nil 288 support to artisans in indigent circumstances		
Infrastructure & Technology Development Scheme	13 projects	1 Common Facility Centre 1 Raw Material Bank 1 Marketing & Sourcing Hub		
Research & Development	30 survey studies 50 seminar workshop	15 survey studies 45 seminar workshop		



**(c) Development of Silk Textiles :** The development of silk textiles includes all schemes under Integrated Scheme for Development of Silk Industry (ISDSI) like Research and Development, Seed Organisation, and Quality Certification Systems.

**(d) Powerloom Promotion Schemes** (Promotion of Organized Textiles Industry under Technology Upgradation Fund Scheme): The Technology Upgradation Fund Scheme was revised in 2015-16 and a new scheme “Amended Technology Upgradation Fund (ATUFS)” was launched on 12 Jan 2016 with an outlay of ₹17,822 crore for implementation up to March 2022. The scheme targets to catalyze new investments of ₹95,000 crore in the textile sector by the year 2022. Thrust has been given to the segments like Garments, Made-ups and Technical textiles given their potential for employment generation and exports. Target and achievements since the launch of the scheme is given as below:

₹ in crore

<b>Target</b>		<b>Achievements</b>	
No of Projects	Investments	No of Projects	Investment
4360	24414	10645	45888.44

ATUFS is implemented through a robust online platform called **iTUFS** to bring in efficiency and transparency and accountability in implementation of the Scheme.

**(e) Development of Woollen Sector :** The new scheme for wool sector is Integrated Wool Development Programme (IWDP). The following steps taken by the Ministry of Textiles for implementation of IWDP:-

**(i)** The IWDP has been designed for holistic growth of the wool sector by including essential requirements of all stakeholders viz. focus on post shearing activities, formation of wool producers, societies for marketing of

wool, strengthening marketing system, wool processing for overall growth of wool sector.

**(ii)** The main focus has been on marketing , processing and value – addition with following objectives:

- **Marketing:-** Formation of wool producers societies on wool producing states to ensure adequate remuneration to small and marginal breeders for raw wool. Modernisation of traditional wool mandis by making available common facilities(basic sheds storage facilities/godowns) and introduction of scientific grading system.
- **Promote Processing and Value-Addition:-** Installation of latest technology, wool processing machine in wool producing areas(scouring, carding, spinning dyeing, finishing etc.). Improving wool fibre quality and per animal production by providing shearing machines (proposed in all wool producing states) and creation of facilities for value addition and thereby improving socio economic conditions of wool growers/weavers.
- **Research and Developments(R&D):-** Certification, branding & labeling of Pashmina wool. Undertake R&D for utilization of Deccani wool in industrial and home furnishing products and also product diversification with design perspectives for domestic wool.
- **Reconstruction Plan for Jammu & Kashmir State (Pashmina Promotion Programme):-** Hon'ble Prime Minister announced a special package on a reconstruction plan for J&K State under which there is a component for promotion of Pashmina wool with budget allocation of ₹50.00 crore. The aims of the project is to develop the Pashmina

craft by means of vertical integration of entire supply chain from production of raw pashmina to marketing. The specific objectives of the project are to increase income and job opportunities for human resource associated with the pashmina craft in the State by improving productivity, product quality, diversification and developing marketing avenues and platforms for establishing Pashmina as a globally known brand.

**(f) Textile Infrastructure and Mega Clusters:-** There are 5 mega clusters under Comprehensive **Powerloom Mega Cluster Development Scheme** viz. Erode, Ichalkaranji, Surat, Solapur and Bhilwara. Under the Erode Powerloom Mega Cluster in Tamil Nadu, the daily market and weekly market have been completed. The work in Ichalkarnji Powerloom Mega Cluster in Maharashtra is under progress. The Cluster Management and Technical Agency (CMTA)s selected for Powerloom Mega Clusters in Surat and Solapur are preparing Draft Conceptual Reports (DCR) for their two clusters. Due to slow progress being made in Powerloom Mega Cluster at Bhilwara, the CMTA has been cancelled and necessary action for appointment of fresh CMTA has been initiated. State Governments have also been requested to monitor closely the progress of the mega clusters. To continue the Comprehensive Powerloom Cluster Development Scheme (CPCDS) beyond 12<sup>th</sup> Five Year Plan, the scheme was further revised with an outlay of ₹99.99 crore for three years from 2017-18 to 2019-20. BE for 2018-19 for Powerloom Mega clusters is ₹25.00 crore.

**(g) R&D and Institutional Development :** Research Development (R&D) Scheme provides for textile sector market driven research and for development of new product and processes by initiating basic research and also for improving existing machinery of textiles through applied research. It

covers entire segment of textiles including jute and provide financial assistance upto 70% depending on the area/quality of research to the implementing agency which may be the Textile Research Associations (TRAs), various universities/educational institutes etc. The balance funds are to be provided by the implementing agency through an industry partner or from its own resources. Only in case of projects involving Basic research, government assistance upto 100% is provided. Out of the total financial assistance provided by the Government, 50% can be given towards capital expenditure for procurement of machinery/equipment related to research.

During the current Financial Year, out of the total 99 projects under R&D 13 projects have been completed and it is expected that a total of 38 will be completed by March 2018. Under the R&D Scheme, there is no actual target since Research and Development cannot give any financial yield immediately; its benefits accrue from the ability of the sector to keep pace with the changing technology and processes. The shortfall in expenditure is due to the less demand and appetite from the industry for undertaking R&D work. Unwillingness to provide matching share (atleast 30%) of the project cost by the implementing agency is another reason for low off take of the scheme.

Efforts are being made to encourage the technical institutions and industries to make use of the opportunity offered under the scheme to take up R&D projects which will improve productivity and/or processes thereby resulting in economic gains for the industry.

**(h) Development of Jute Textiles:** For development of Jute Textiles Sector an amount of ₹184.51 crore had sought (₹128 crore for NJB, ₹1.00 lakh for NJMC, ₹6.00 crore for IJIRA, ₹50.00 crore for JCI, and ₹50 lakhs for BJEL). However, an amount of ₹39.18 crore has been allocated, due to

financial crunch which may affect the various developmental and promotional schemes pertaining to Jute Sector.

**(i) North East Region Textile Promotion Scheme (NERTPS):** Target and achievements for the projects under North East Region Textile Promotion Scheme (NERTPS) is given below:

**(a) Apparel & Garment (A&G) Centers :** Under this project an Apparel & Garment Manufacturing Center consisting of three units of 100 sewing machines was to be set up in each of the seven NE States and Sikkim. Except Sikkim all other Centers have been completed and handed over to the State Governments to operate them as incubation center for promoting entrepreneurship in apparel manufacturing.

**(b) Sericulture projects: (i) Integrated Sericulture Development Project and Intensive bivoltine Development Project:** The projects target to cover 31010 acres of area for Mulberry, Eri and Muga production. About 29,255 acres have been brought under host plantation of Mulberry, Eri and Muga covering 29,905 beneficiaries and produced 1,600 MT of raw silk up to December, 2017.

**(ii) Seed Infrastructure :** Under the project 6 seed infrastructure units at Jorhat, Topatoli and Silchar (Assam), Kokrajhar (BTC-Assam), Mokukchung (Nagaland), Tura (Meghalaya) with a production capacity of 30 lakh mulberry Dfls and 21.51 lakh Muga & Eri Dfls have been sanctioned at total cost of ₹37.71 crore. The projects are at construction stage.

**(iii) Silk Printing Unit at Tripura:** A Silk printing facility has been set up in Tripura with a project cost of ₹3.71 crore (100% GOI funding)

Construction has been completed and the unit is expected to commence its operation by March, 2018.

**(c) Handloom clusters:** 195 cluster development projects are under implementation.

**(d) Handicrafts Sector:** Total six projects have been sanctioned for promoting indigenous crafts of North East. Most of the projects are at the early stages of implementation.

**(ii)** Efforts are being made to invite viable proposals from the Implementing Agencies, clearness of pending UCs, giving wide publicity to the campaign launched by the Office of DC (Handlooms) and O/o (Handicrafts), inviting proposals through on-line mode so as to overcome the shortfall of expenditure witnessed earlier.

**Powerloom Promotion Schemes:** After detailed consultations with stakeholders, the Powerloom Sector Schemes were rationalized. The Integrated Scheme for Powerloom Sector Development (ISPSD) was merged with the existing schemes viz. Group Workshed Scheme and Insitu-upgradation scheme and additional components viz. Solar Energy Scheme and Pradhan Mantri Credit Scheme for Powerloom Weavers, Publicity and IT have been included with a total outlay of ₹ 487.00 crores for three year period from 2017-18 to 2019 under one umbrella namely PowerTex India (a Comprehensive Scheme for Powerloom Sector Development). This scheme was launched *w.e.f.* 1.04.2017. The expenditure on the components of PowerTex India is monitored from time to time for efficient management of the expenditure. The expenditure meets the Quarterly Expenditure Plan (QEP). A dedicated website [www.ipowertexindia.gov.in](http://www.ipowertexindia.gov.in) has been created for applying various schemes under PowerTex India. A dedicated toll free **Help-line (1800 22 2017)** has been setup to provide necessary help/guidance/information to the Powerloom weavers by making toll free

call. The Online portal and mobile app(Android-based) are operational from 1<sup>st</sup> December 2017. The beneficiary can track the status online or on mobile app. Besides, periodical review of the Scheme is being done by Project Approval Management Committee.

TUFS has recorded 100% utilization after rationalization of the scheme.

a. The Handloom clusters: 195 cluster development projects with a financial outlay of ₹98.7 crore are under implementation. Mid-term evaluation of the projects is being assigned to an independent agency.

b. The Handicrafts Sector: Total six projects have been sanctioned for promoting indigenous crafts of North East. However, most of the projects are at the early stages of implementation.

c. NE Region has several geographical and connectivity constraints in certain pockets. Those constraints have posed some challenges particularly to reach out to remote locations and online implementation of the scheme. However, efforts are being made to overcome those challenges through capacity enhancement of local resources involved in project implementation.”

## **VI. REBATE ON STATE LEVIES (RoSL)**

34. As per the documents furnished by the Ministry, under Rebate on State Levies (RoSL) scheme, an amount of ₹1,540.92 crore had been utilised till 31<sup>st</sup> December, 2017 through Department of Revenue and addition of ₹300 crore provided to Scheme at RE stage.

35. In this regard, the Ministry was asked to give the details of disbursement of above fund and alongwith contribution of the RoSL in employment generation in textile and apparel sectors. In reply, the Ministry stated as follows:-

"(i) ₹1,541.96 cr has been disbursed at a maximum rate of 3.9% (pre GST rebate rate on Cotton apparel & made-ups) and maximum of 3.3% (pre-GST rate on manmade apparel) & 3.8% (pre-GST rate on manmade made-ups) during 2017-18 (up to 16<sup>th</sup> February 2018).

(ii) RoSL scheme was introduced to boost exports through rebate State taxes/levies. As per industry data, more than 8,000 exporters have benefitted under RoSL. No estimates are available for determining employment generated in the textile and apparel sector under the scheme."

**36. The Committee note that RoSL was introduced to boost exports through Rebate/ Refunds of State levies which, in turn, could help in employment generation in the Textile and apparel Sector. No estimates are available for determining employment generated in the textile and apparel sector under the scheme. The Committee opine that absence of data on the employment generation after the launch of the scheme defeats the very purpose of the scheme. They therefore, desire that the Ministry initiate the process for collection of data pertaining to the impact of the scheme on exports and employment generation since the implementation of the Scheme, at the earliest and furnish the same to the Committee. Also the Ministry, in order to reduce dependence on refund mechanism, may consider taking up the**



**issue with State Governments to reduce State levies in textiles apparel sector.**

**VII. AMENDED TECHNOLOGICAL UPGRADATION FUND SCHEME (ATUFS)**

37. The TUFSS was introduced in 1999 to catalyze investments in all the Sub-Sectors of textiles industry for Technological Up-gradation of the Machinery by way of interest Reimbursement / Capital subsidy. The Scheme was suspended during 29.6.2010 to 27.04.2011. A restricted scheme in respect of TUFSS was implemented from 28.4.2011 to 31.3.2012. The scheme was once again revised and implemented as RRTUFSS *w.e.f* 1.4.2012 and currently a modified scheme *viz* Amended Technology Upgradation Funds Scheme (ATUFS) is being implemented *w.e.f* 13.01.2016 for technology upgradation of Textile Industry with one time capital subsidy for eligible benchmarked machinery for a period of seven years from 2015-16 to 2021-22. A budget allocation of ₹17,822 crore has been approved for 7 years. The Scheme since its inception has attracted investment of ₹27,480 crore and amount of ₹25,905.86 crore has been released towards subsidy under the scheme including ₹1,426.27 crore during 2017-18.

38. Under ATUFS, the scheme for production and employment linked support for Garment Migrant Units (SPELSGU) was notified since 25.7.2016 in order to incentivise production and employment generation in the garmenting sector. The additional incentive of 10% will be provided to garmenting units and would be availing 15% capital investment subsidy (CIS) under ATUFS for introduction of bench marked machines. Under ATUFS guidelines *vide* resolution dated 10.01.2017 notified for providing additional subsidy to boost employment and exports in Made-Ups and to provide incentives through enhance TUFSS subsidy for Made-Up similar to

incentive provided to garmenting industry. The Scheme will come into effect from 13.01.2016 to 31.3.2019.

The allocation under TUFs during for the last 3 years was as follows:

₹ in crore

Year	BE	RE	Actual Expenditure
2016-17	1,480.00	2,621.98	2,621.98
2017-18	2,013.00	1,956.00	1,380.05 (as on date 1.1.2018)
2018-19	2,300.00	--	--

39. Asked to give the reasons for reduction of allocation at RE stage during 2017-18 and whether the implementation of the scheme was effected due to the reduction in allocation alongwith State-wise details of funds utilised under TUFs during the last 3 fiscals, the Ministry responded as under:

"TUFs is a demand driven scheme having very little scope to absorb earmarked allocations under SCSP /TSP and NER. Hence the funds under SCSP (₹15.00 crore) and NER (₹12.27 crore ) were re-appropriated to other schemes."

State Wise subsidy released in last three fiscal years (up to 2016-17 ) is as under:-

Sl.NO	State Wise Subsidy in last three fiscal years (up to 2016-17 )	
	States	Subsidy Released (₹ in cr)
1	ANDHRA PRADESH	193.25
2	ASSAM	3.84
3	BIHAR	2.3
4	CHANDIGARH	35.22

5	CHATTISGARH	3.15
6	DADRA & NAGAR	101.36
7	DAMAN & DIU	18.79
8	DELHI	95.5
9	GOA	7.94
10	GUJARAT	1488.91
11	HARYANA	141.14
12	HIMACHAL PRADESH	47.38
13	JAMMU & KASHMIR	7.7
14	JHARKHAND	1.45
15	KARNATAKA	97.29
16	KERALA	25.74
17	MADHYA PRADESH	281.58
18	MAHARASHTRA	1171.85
19	MIZORAM	0.01
20	ORISSA	0.49
21	PONDICHERY	0.71
22	PUNJAB	810.68
23	RAJASTHAN	363.1
24	TAMIL NADU	674.49
25	TELANGANA	68.34
26	UTTAR PRADESH	83.05
27	UTTARANCHAL	10.33
28	WEST BENGAL	83.72
	Total	5819.31

40. Further, the Committee asked as to how far the TUFs had benefitted the industry in increasing employment generation and incentivize production in Garments units as well as Made-Up sector since its inception. The Ministry stated as under:-

"The Government has notified the Scheme for Production and Employment Linked support for garmenting and Made-up Units under ATUFs to incentivize production and employment generation in the garment sector. The scheme provides for additional 10% Capital

Investment Subsidy (CIS) for garmenting and Made-up units over and above 15% CIS on achievement of projected production and employment targets. The progress of the scheme is given below:-

Segment Name	Since inception of ATUFS i.e. 13.01.2016 to Till 24.07.2016					From 25.07.2016 to till date (with the launch of additional incentive to Garmenting sector)					Total				
	No. of Application	Total Project Cost	Subsidy Amount	New Employee Total	Existing Employee Total	No. of Application	Total Project Cost	Subsidy Amount	New Employee Total	Existing Employee Total	No. of Application	Total Project Cost	Subsidy Amount	New Employee Total	Existing Employee Total
Exclusive Garmenting(15% CIS)	248	345.59	43.08	13977	27054	566	1037.60	104.92	38822	116276	814	1383.19	148	52799	143330
Multi activity With Garment in one segment	112	764.63	71.01	5624	20304	360	5382.92	346.76	38305	95205	472	6147.55	417.77	43929	115509
Other	1050	2502.17	186.87	11358	26048	3011	15340.41	735.48	37985	106286	4061	17842.6	922.35	49343	132334
Grand Total	1410	3612.39	300.96	30959	73406	3937	21760.93	1187.15	115112	317767	5347	25373.3	1488.11	146071	391173

41. When asked to furnish the number of textile units that have been upgraded under this scheme for last 3 years. The Ministry furnished information as under:

Amended Technology Upgradation Fund Scheme was launched on 12 Jan 2016. 8786 units have been upgraded so far under the scheme. Year wise progress of is given as under:

₹ in crore

Sl. No	Year	Projects sanctioned
1	2016-17	8786
2	2017-18	1859*

\*Projects have to install machinery within one year of sanction of projects

42. The Committee further enquired about the measures taken by the Ministry of Textiles for optimum utilisation of funds under TUFs. The Ministry submitted as under:

The Ministry of Textiles has achieved almost 100% utilization of funds since launch of ATUFs through following measures:

- ATUFs is implemented online through a robust iTUFs platform to bring in speed, efficiency and transparency in implementation.
- Physical inspection of the units are done by Joint Inspection Team (JIT) before release of subsidy under ATUFs
- Regular follow up with Lending Agencies to receive claims in time.

**43. The Committee note that the Amended TUFs was implemented *w.e.f.* 13.01.2016 and the actual expenditure vis-à-vis BE/RE during the year 2016-17 was 100%. The Committee also note that under ATUFs, the B.E of 2017-18 was ₹2,013.00 crore, which was reduced to ₹1,950.00 crore and the actual expenditure as on 1.1.2018 was ₹1,380.05 crore, the reason being that the Scheme is demand based. From the statement of subsidies released to States, the Committee observe that except few larger States like Gujarat, Maharashtra, Punjab and Tamil Nadu, subsidy amount released to other States in the last three years under ATUFs has been rather small, which needs to be analyse. Technology upgradation is vital to maintain the quality and pace of production, hence the Committee hope that the**

**Ministry will provide handholding to those States where the response is less than expected. Nonetheless, while appreciating the extent of acceptance of the Scheme amongst the beneficiaries/ recipients, the Committee desire that the increment and the employment generation after the implementation of ATUFS may also be tracked to gauge the real impact of the Scheme.**

### **VIII. SERICULTURE**

44. In regard to Silk textile, the Committee have been informed the following details of financial allocation towards Sericulture for the last three years and current year:

₹ in crore

<b>Year</b>	<b>BE</b>	<b>RE</b>	<b>Actual expenditure</b>
2015-16	178.10	191.10	178.10
2016-17	160.50	160.50	154.01
2017-18	565.00	600.00	528.36 (as on 1.1.2018)

₹ in crore

<b>Year</b>	<b>Proposed</b>	<b>BE</b>
2018-19	774.71	500.60

In the above context, the Committee asked the reasons for a sudden increase in BE 2017-18 compared to previous 2 years.

In reply, the Ministry stated as under:

"The amount under BE/RE & Actual for the years 2015-16 & 2016-17 was purely meant for meeting the committed expenditure of

Scheme Developmental activities under Normal Plan, SCSP, TSP and Schemes of North Eastern Region and did not include the allocation/expenditure towards Salaries/Wages & payment of Pension & Retirement/Terminal Benefits. Provisions towards meeting the committed expenditure viz., Salaries & Allowances, Wages to Temporary Status Farm Workers/ Casual Labourers/Skilled Farm Workers of CSB & Pension & Retirement/Terminal Benefits to the retired employees of CSB were separately allocated under Non-Plan head by the Ministry during the years 2015-16 & 2016-17 and accordingly expenditure incurred/booked by CSB. The actual Allocation (BE) & Expenditure for the financial years 2015-16 & 2016-17 in respect of Central Silk Board, are given below:

(₹ In Crores)

<b>Year</b>	<b>Expenditure</b>		
	<b>P L A N</b>	<b>NON-PLAN</b>	<b>T O T A L</b>
2015 - 16	178.10	302.08	480.18
2016 - 17	154.01	342.50	496.51

However, with effect from the financial year 2017-18, the Non-Plan and Plan bifurcation was discontinued and the allocation was made under the single head for the financial year 2017-18, which also includes the provision / expenditure under GIA-Salaries [36] meant for meeting expenditure on payment of Salaries/Labour Wages and Pension & Retirement/ Terminal Benefits such as Gratuity, Commuted value of pension and encashment of leave. Accordingly, a total provision under BE 2017-18 to the extent of ₹565.00 crore [*i.e.*, GIA towards Salaries of ₹381.00 crore & GIA towards Dev. of Silk Industry (Normal Plan & Schemes in NEA) etc., to the extent of

₹184.00 crore] was allocated under the single Budget head for the financial year 2017-18 as detailed below:

Year	Allocation (₹ in crore) at BE stage		
	GIA towards Dev. of Silk Industry	GIA towards Salaries	<b>T O T A L</b>
2017 - 18	184.00	381.00	565.00

As such, there is only a nominal increase in BE 2017-18 as compared to allocations under BE of previous 2 years 2015 -16 & 2016 -17.

₹23.00 crore have already been surrendered as saving under GIA Scheme. In addition, ₹50.00 lakhs under Swachhta Action Plan has been allocated. Thus, overall RE to the extent of ₹600.00 crore has been provided".

45. The Committee, then asked the reasons for reduction of ₹274.11 crore against proposed estimate and desired to know the impact of this on efficient implementation of programmes under Sericulture.

In reply, the Ministry stated as follows:-

"The CSB had originally requested /proposed an allocation to the extent of ₹774.71 crore under BE 2018 - 19 by taking into account the requirement of additional funds required for the payment of the revised rate of Pay & Allowances & difference of revised Pay arrears as per the 7<sup>th</sup> CPC recommendations. The allocation of ₹774.71 crore for 2018-19 under ISDSI was proposed with a target to produce 35960 MT of silk including 7200 MT of Import Substitute Bivoltine Silk. It includes ₹281.27 crore as developmental cost & ₹493.44 crore as Establishment Cost. The scheme outlay of ₹281.27 crore also includes



₹25.00 crore and ₹40.00 crore proposed towards implementation of SCSP and TSP respectively.

However, while finalising the BE 2018-19, the allocation under BE 2018-19 has been restricted to ₹499.77 crore as against the requested amount of ₹774.71 crore as per the availability and allocation of funds to the Ministry of Textiles. The reduction in outlay will adversely affect the developmental activities and the goal to become self-sufficient in silk production will become distant. Around 20% to 30% shortfall in Raw silk production is anticipated with the reduction in Budget 2018-19 thereby reducing the income level /socio economic conditions of sericulture stakeholders. This will also lead to reduction in employment generation. However, additional fund requirement would be sought under supplementary Demand for Grants 2018-19 for the implementation of programmes under sericulture."

46. Asked to furnish the steps taken by the Ministry to overcome the impediments that occurred during the period 2017-18 in current fiscal year, the Ministry stated as follows:

"Action is being taken to step up the silk production mainly import substitute bivoltine silk and improved cross breed silk to meet the demand of silk powerlooms and silk exporters. Emphasis is being given for byproduct utilization to increase the net income of farmers. More funds would be tapped to sericulture through the convergence programmes of Ministry of Rural Development through MGNREGA and MKSP, Ministry of Agriculture through RKVY and Ministry of Environment and Forests for Vanya Silks."

47. The Committee also asked to submit the details of exports and imports of Silk products for the last 3 years.

In reply the Ministry stated as under:

The details of exports and imports of Silk products for the last 3 years are as under :-

**Raw Silk Imports:**

The quantity and value of raw silk imported for the last three years 2014-15 to 2016-17 and for the current year 2017-18 (April to December) are given below:

<b>Year</b>	<b>Quantity (MT)</b>	<b>Value (₹. in Crore)</b>
2014-15	3489	970.82
2015-16	3529	1006.16
2016-17	3795	1092.26
2017-18*	3050	968.71

Source: DGCIS, Kolkata.

(\* Figure indicated for the period of April-December 2017 (Provisional)

**Exports:** The silk goods export earnings have decreased over the years due to global recession and reduction in demand for silk goods in western countries (Western Europe and the USA, which are the major consumers of silk goods). However, the silk exports are picking up in the non-traditional/new markets such as UAE, Nigeria, Sudan, Thailand etc., which is an encouraging sign. The export earnings during 2016-17 were ₹2,093.42 crore. Export values of silk goods during the last three years 2014-15 to 2016-17 and for the year 2017-18(April to December) are given below:

(₹ in crore)

<b>Items</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18 (p) (Apr 17 to Dec 17)</b>
Natural Silk Yarn	25.41	30.31	15.33	3.61
Silk Fabrics	1465.44	1280.60	1051.65	257.77
Readymade Garments	1214.01	1078.39	864.33	684.45
Silk Carpet	15.97	16.88	63.78	9.14
Silk Waste	109.12	89.80	98.33	69.87
<b>Total</b>	<b>2829.95</b>	<b>2495.98</b>	<b>2093.42</b>	<b>1024.84</b>

Source: FTSI & MSFTI, DGCIS, Kolkata P: Provisional

Note: Final Data is based on ITC (HS) codes details received from source data.

48. The Committee have been informed that upto November, 2017, 10,791 persons were trained by the Central Silk Board Training Institutes. In this regard, the Committee enquired about the steps taken by the Ministry of Textiles to involve these trained persons in sericulture.

In their reply, the Ministry stated as follows:-

"As on January 2018, 13340 persons were trained by the CSB Research Institutes, which include the persons trained in both on-farm and off-farm sectors, who are already associated in Sericulture activity for improving their skill level with improved technologies so as to ensure a better crop and returns. Besides, training has also been given to the new farmers identified by the States for taking up sericulture activities. Hence, the persons trained by CSB Institutes are self-employed in sericulture sector."

**49. The Committee note that due to global recession and reduction of demand for silk goods in western Europe and the USA, silk goods exports earnings have decreased over a period of time. However, the Committee are happy to learn that demand is picking up in the new and non-traditional markets for silk fabrics and readymade garments, although it is not so in the case of silk carpets, which needs to be addressed. As on January 2018, 13340 persons were trained by the Central Silk Board (CSB) Research Institutes in on-farm and off-farm sectors. The Committee desire that the quality and quantity enhancement be monitored specially in case of persons trained by the CSB. Simultaneously, more persons need to be encouraged to undergo the training after carefully watching the progress made by the persons trained till January, 2018.**

#### **IX. INTEGRATED SKILL DEVELOPMENT SCHEME (ISDS)**

50. After perusal of the documents provided to the Committee, it is noted that a Scheme for Capacity Building in Textile Sector (SCBTS) was approved in December, 2017 with an outlay of ₹1,300 crore for the period 2017-18 to 2019-20. This Scheme envisages training courses as per the norms notified by the Ministry of Skill Development, and is an extension of the earlier Integrated Skill Development Schemes (ISCDS).

In this regard, the Committee enquired about the implementing agencies and the agencies that design training courses. In reply, the Ministry stated as under:

"The skilling programmes are being implemented through the following Implementing Agencies:

(a) Textile Industry/ Units in order to meet the in-house requirement of manpower.

(b) Reputed training institutions/NGOs/Societies/Trusts/Organizations/ Companies /Start Ups/ Entrepreneurs relevant to the textile sector having placement tie-ups with textile industry/units.

(c) Institutions / Organizations of the Ministry of Textiles/ State Governments having placement tie-ups with the textile industry/units.

(ii) The Textiles Committee, a statutory body under Ministry of Textiles is the Resource Support Agency(RSA) under the Scheme which has the mandate of standardization of training courses as well as assessment and certification systems, in consultation with the Sector Skill Councils (SSC). 62 qualifications (59 qualifications submitted by the Textiles Committee, 3 courses of carpet submitted by Handicraft & Carpet Sector Skill Council) have been approved by National Skills Qualifications Committee (NSQC). 10 Jute course modules submitted by Textile Sector Skill Council are pending for approval by NSQC. The Govt. has approved a new scheme viz. 'Scheme for Capacity Building in Textiles Sector' for a period of 3 years *i.e* 2017-20 with an outlay of ₹1,300 crore. The scheme will cover skilling requirements in the mainstream sector (other than spinning & weaving) as well as in the traditional sectors of Handloom, Handicrafts, Jute, Silk and Wool".

51. Asked to brief the coordination mechanism between the Ministry of Textiles and Ministry of Skill Development and Entrepreneurship. In reply the Ministry stated as follows:-

"The implementation of the scheme is in conformity with the broad policy framework of skill development formulated by the Ministry of Skill Development & Entrepreneurship (MSDE). Meetings on various issues such as Common Norms are held by MSDE from time to time which are attended by the officers of the Ministry of Textiles and necessary follow up action is taken. Further, representative from MSDE and three SSCs were the member of the Empowered Committee chaired by Secretary (Textiles) constituted for overall monitoring of the earlier scheme. The same arrangement will be continued under the new scheme."

52. Then, the Committee asked the Ministry to state the disbursal mechanism for releasing the funds and the monitoring agencies to ensure that targets are achieved. The Ministry in their reply submitted as follows:-

"The Govt. has approved a new scheme for Capacity Building in Textiles Sector for a period of 3 year *i.e* 2017-20 with an outlay of ₹1,300 crore The detailed fund flow mechanism under the new scheme will be on project basis and target sanctioned to the Implementing Agencies. The following will be the schedule for release of funds:

<b>Installment</b>	<b>% of Total Cost</b>	<b>Parameters for Fund Release (as per Common Norms)</b>
1st	30%	On commencement of training
2nd	50%	On successful certification of the trainees
3rd	20%	Outcomes based on placement*

(\*Disbursement of 10% of the project cost will be considered only after completion of post placement tracking for one year.)

The funds under the Scheme will be released to the Implementing Agencies through PFMS. The monitoring agencies under the scheme will include the following:

**(1) Empowered Committee (EC): Under the Chairmanship of Secretary(Textiles). The Committee will have the following mandate:**

- a. Effective monitoring and implementation of the scheme.
- b. Approval of Norms/Template for funding of projects.
- c. Approval of the pattern of funding of projects.
- d. Any amendment to the scheme guidelines involving issues other than financial.

**(2) Resource Support Agency (Textiles Committee):** The Textiles Committee will be the Resource Support Agency (RSA) which shall perform the following functions:

- (a) To identify and finalize the skill development needs in consultation with the Sector Skill Councils (SSCs) and industry.
- (b) To specify the Training Centre's infrastructure with reference to the NSQF courses.
- (c) To standardize the admission, assessment, certification and accreditation processes in consultation with the SSCs and industry to ensure consistency and acceptability by various stakeholders.
- (d) To standardize the course content and to develop the content.
- (e) To empanel Assessment Agencies and to monitor their performance.
- (f) To conduct Training of Trainers (ToTs) and Training of Assessors (ToAs) in coordination with the respective SSCs.
- (g) To conduct skill gap studies from time to time and build up skill database for the industry.
- (g) To study the global scenario and best practices in skilling in the textile sector.

(3) Project Management Unit(PMU): **There will be a Project Management Unit (PMU) as monitoring body for the scheme under the direct administrative control of the Ministry of Textiles. The functions of the PMU will broadly include the following-**

- (a) Assist the Ministry of Textiles in defining parameters, criteria and methodology for selection of Implementing Agencies (IAs) and for allocation of projects.
- (b) Design formats for seeking proposals/bids from prospective training partners.
- (c) Assist the Ministry in short-listing and evaluation of the bids.
- (d) Conduct continuous monitoring and evaluation for the effective functioning of all Implementing Agencies (IAs) under the scheme.
- (e) Establish a web-based MIS and monitoring system in consultation with the Ministry and other stakeholders.
- (f) Assist the Ministry in defining the audit and monitoring mechanism and design strategy/methodologies for proper utilization of funds.
- (g) Design penalty matrix to be imposed on IAs for non-compliance of scheme guidelines.
- (h) Any other responsibility which may be assigned by the Ministry from time to time.

**(4) Physical Verification Agencies (PVAs):** Physical Verification Agencies (PVAs) will be nominated by the Ministry from amongst its own organizations for the physical monitoring of the training programmes through regular field visits. The key functions of PVAs will be as under:

- (a) Verification of Training Centre (TC) Infrastructure as per the course wise criteria defined by RSA for approved NSQF courses. Mobile Application with features of Geo-tagging will be used for verification of the TC and uploading of reports on MIS, on a real-time basis.



- (b) Evaluation of training centre capacity for target allocation and recommendations thereof.
- (c) Monthly visits of live training centres.
- (d) Physical verification of placement agencies.
- (e) Any other activity assigned by the Ministry of Textiles.

53. Further, the Committee asked the Ministry to share the action plan of the Ministry to train 10 lakh youth.

In reply, the Ministry stated as follows:-

The yearly targets are given below :-

			(Target in Lakhs)
<b>Year</b>	<b>Organised Sector</b>	<b>Traditional Sector</b>	<b>Total</b>
2017-18	2.25	0.22	2.47
2018-19	3.15	0.38	3.53
2019-20	3.60	0.40	4.00
Total	9.00	1.00	10.00

For 2017-18, it may not be possible to achieve the target as approval of the new scheme took time. However the shortfall will be covered in the remaining two years. To ensure that targets are achieved, the following strategy will be adopted by the monitoring agencies:-

1. Implementing agencies will be empanelled based on the physical verification of all the training centres. Based on their training centres' infrastructure, training capacity will be determined and accordingly, targets would be awarded to the implementing agencies.

2. In addition to the above, State Governments will be awarded training targets and the monitoring agencies will ensure that State Governments take all the necessary steps to achieve the training targets awarded to them.

3. Further, training targets will be provided on annual basis. In case of any shortfall in achieving of training targets by the empanelled implementing agencies, a review will be done and their targets would be adjusted and given to other implementing agencies who would be performing better in terms of training candidates.

**54. The Committee note that Ministry has allocated a fund of ₹1,300 crore towards the new scheme for capacity building in textiles sector for 3 years *i.e* 2017-20 and same will be disbursed in installments on completion of required parameters set by Ministry. The Committee also note that the Ministry has set the targets to train 10 lakh youth in enhancing their skills under organised sector and unorganised sector during the period 2017-20. For this the Ministry has spread the targets year-wise. The Ministry stated that it may not be possible to achieve the target of 2017-18, as the scheme is new and further stated that this shortfall will be covered in remaining 2 years. In order to ensure the set targets are achieved, the Ministry would make the monitoring agencies adopt a specific strategy of awarding targets based on capacity of training centres on annual basis followed by a review and readjustment of targets, if needed. In this regard, the Committee desire the Ministry to make concerted efforts to ensure that all the monitoring/ implementing agencies adhere to the set strategy by the Ministry. The Committee also desire the Ministry to maintain Statewise details of training and its impact on performance of textile sector. Further, the Committee desire that the Ministry initiate awareness programmes on the benefits**

**of Skill development and employment opportunities for youth, so that the youth may actively participate in Skill Development training. This will lead to enhancement in the quality of the textiles products and increase in the employment rate in textile sector. The Committee further note that there is a high attrition rate in textile sector. So, there is a need for emphasis on skill development which includes training and placement. The allocation in this context, should be as per requirement and capacity of the Ministry to absorb. The Committee also note that the Ministry of Textiles has been attending meetings held by the Ministry of Skill Development on common norms being followed up too. The Committee desire that the coordination with the Ministry of Skill Development and Entrepreneurship must continue to not only avoid any duplication of efforts but also to make use of PMKKs' infrastructure and facilities, if found feasible.**

#### **X. IMPACT OF GST ON TEXTILE INDUSTRY**

55. During the evidence held on 16<sup>th</sup> February, 2018, the Committee asked to brief the overall impact of GST on the performance of Ministry of Textile during the last 10 months and its submission regarding GST rates on natural fibres & MMFs.

In their written reply, the Ministry submitted as under:

"Overall impact of GST on the performance of Ministry of Textiles in the last 10 months and Ministry's submissions regarding GST rates on natural fibres & MMFs

Report on the overall impact of GST on the performance of Ministry of Textiles will be submitted separately.

With regard to Ministry's submission about GST rates on Natural fiber and Manmade fibers (MMFs), they have stated that the Ministry and its Attached/Subordinate offices, PSUs, Autonomous bodies and Export Promotion Councils (EPCs) conducted workshops and awareness training on GST and its procedures for the officials as well as various stakeholders for migration to GST system *w.e.f* 1<sup>st</sup> July, 2017. The Ministry took up the issues raised by stakeholders with the Department of Revenue, Ministry of Finance and has been actively engaged for getting them resolved. As result of the efforts of the Ministry and stakeholders, many important changes have been made under GST for Textile Sector which , *inter alia*, include the following:-

- (a) the GST rate on job works for entire textile segment i.e. yarn, fabric garments and made-ups was revised from 18% to 5%;
- (b) GST rates for a few Handicraft items have been reduced;
- (c) GST rate for Corduroy has been reduced from 12% to 5%;
- (d) GST rates for MMF yarn has been reduced from 18% to 12%;
- (e) Import duty on MMF fabric has been enhanced from 10% to 20% to protect domestic market;
- (f) Sari has been included in the classification of fabric with 5% GST.
- (g) Also GST rates on velvet fabric has been reduced from 12% to 5%
- (h) The GST rates on Common Effluent Treatment Plants (CETPs) services of effluents has been reduced from 18% to 12%.

(i) The GST rate on tailoring services reduced from 18% to 5%.

Thus, the present revised GST rates for the Textile sector:

<b>Sl. No.</b>	<b>Major Textile item(s)</b>	<b>GST rate(s)</b>
1	Silk and Jute	0%
2	Cotton and other natural fibres	5%
3	Natural Yarn	5%
4	Manmade filament and Yarn	12%
5	All fabric: knitted or crocheted and woven	5%
6	Apparels and Made ups: Value less than ₹1,000	5%
7	Apparels and Made ups: Value more than ₹1,000	12%
8	Carpets and other textile floor covering	12%
9	Job works	5%
10	Article of apparel & clothing accessories of leather, guts, fur skin, artificial fur and other articles such as saddler and harness for any animal.	18%
11	Handbags and shopping bags of jute and cotton	12%
12	Hats (knitted or crocheted)	12%
13	Specified parts of sewing machine	12%
14	Narrow woven fabric including cotton newer (with no refund of unutilised ITC)	5%
15	Coir cordage and ropes, jute twine, coir products	5%
16	Worn clothing	5%
17	Job work services of manufacturing of handicraft goods in respect of which the causal taxable person has been exempted from obtaining registration under GST	5%

56. The Ministry has further taken up the remaining issues raised by the textile Industry for consideration by DoR /GST Council for the benefit of textile sector which include the following:-

(i) Inverted duty structure on MMF *i.e.* 18% on yarn and 5% on grey fabric which has resulted in accumulation of input tax credit in the Power loom industry which have become uncompetitive. GST on MMF should be 5% or at least 12%.

(ii) Imposition of 5% GST on job work that forces master weavers to leave the job since they are unregistered and unable to claim input tax credit. Therefore, GST should not be levied on job works till manufacturing of grey fabric.

(iii) To introduce Credit Transfer Document (CTC) to avail ITC on the inventory lying with the weavers before dated 1.7.2017.

(iv) To impose higher anti-dumping duty/additional custom duty on imported fabric under as cost of Indian fabric has become higher by about 11% as compare to other competing countries like China

(v) Non-refund of ITC at fabric stage: The provision of non-refund of accumulated ITC is affecting the weaving industry adversely vis-à-vis the integrated mills, making their fabric costlier. This inadvertently goes against the government policy of assisting the weaker units.

(vi) Machinery used by MSME textile units to be taxed at lower rates: Tax on machinery used by the MSME textile sector prior to GST was 5%. Taxing of machinery at 18% adversely affects the textile sector. Therefore, the Ministry has been pursuing differential rate of taxation which could be levied at 5% for machineries costing up to ₹1 crore; 12% for machineries costing between ₹1 crore and ₹5 crore; and 18% on machineries costing more than ₹5 crore.

(vii) SITP parks to be at par with industrial parks for GST: The GST rate at 18% on real estate services has been levied on SITP parks but industrial parks developed by SIDC are exempted. The same may be extended to SITP parks also.

(viii) Issues related to enhancement of import duty on the other lines of fabrics".

57. Then, the Committee asked the Secretary to give the details of the impact of GST on Textiles industry in figures for the last 10 months. The Secretary stated as follows:-

" सर, फिगर है, मैं आपसे शेयर कर लूंगा मैं आपसे एक चीज़ जरूर निवेदन करना चाहूंगा जैसा मैंने कहा कि आईटीसी को जरूर अलाउ करने की आप लोगों की संस्तुति चाहूंगा वैसे ही एक सेक्टर है, जीएसटी से पहले जो मशीन एमएसएमई सेक्टर में बनता था। यानी जो छोटी मशीन होती थी। उन पर या तो टैक्स नहीं लगता था या 5 परसेंट टैक्स लगता था। अब सारी मशीन पर 18 परसेंट लगता है। जो हमारे हैंडलूम, हैंडीक्राफ्ट और सिल्क में जो मीशन यूज होती हैं, वे बड़ी कम कीमत की हैं।"

**58. The Committee, being curious to know the impact of GST system on the textile sector, have been informed that Ministry of Textiles and its attached/ subordinate offices, PSUs and all its statutory bodies have conducted workshops and awareness programmes on GST and its procedure to all its officials and stakeholders for migration to GST system. They note that the Ministry had also taken up the issues raised by the stakeholders with the Department of Revenue, Ministry of Finance. As a result of the above efforts of the Ministry and stakeholders, many significant changes have been made under GST for Textile sector. Further the Committee note that the Ministry has also taken up the issues on inverted duties structure on MMF, imposition of GST on Job work, credit transfer documents (CTD) issues, non-refund of ITC, GST for weaving industry, lowering of GST rates for**

**machinery used by MSME textile units, SITP Parks to be at par with Industrial Parks (SIDC) for purpose of GST duty etc. In this context, the Committee desire the Ministry to impress upon the Department of Revenue/ Ministry of Finance to reconsider the overall GST structure for textile sector and imposition of higher Anti Dumping duty to protect the domestic industry. Further, the Committee desire the Ministry to continue their concerted efforts in this direction so that performance of the textile industry could be enhanced and Indian textiles may continue to maintain their niche position in the ultra competitive global textile market.**

#### **XI. SCHEME FOR INTEGRATED TEXTILE PARKS (SITP)**

59. The 'Scheme for Integrated Textile Parks (SITP)' is implemented to provide the textile industry with world-class infrastructure facilities. Under the scheme, project cost covers common infrastructure and buildings for production/support depending on the needs of the ITP and financial assistance of 40% of the project cost subject to a maximum of ₹40 crore. There is flexibility in setting up ITPs to suit the local requirements particularly in the NE region including J&K. Financial assistance @90% of the project cost subject to a ceiling of ₹40.00 crore for the first two projects is provided for ITP in Arunachal Pradesh, Assam, Manipur, Meghalaya, Nagaland, Tripura, Sikkim and Jammu & Kashmir.

60. Asked to state the status of the SITP scheme the Ministry submitted as follows:-



" **Scheme for Integrated Textile Park** : SITP is a scheme which is operated in PPP mode. The release of funds is done in five tranches for each project based on the progress/milestones achieved. The shortfall of ₹13.93 crore upto December, 2017 vis-à-vis the BE was due to delay in execution/completion of projects by the SPVs owing to the following reasons:

- a. Delay in obtaining in State Government clearances pertaining to land, environmental, power, water and other utility services are one of the major reasons for delay in execution of projects under SITP.
- b. Inability to raise the required equity for timely implementation of the project.
- c. Non-availability of loans to the SPV which hinders the fund flow for execution of the project.

61. The Committee during their sitting held on 16th February, 2018 asked the Ministry to furnish the details of actual status of 19 parks set up in North Eastern region, Jammu and Kashmir and model parks which are functioning well.

In reply, the Ministry stated as follows:-

"**(a) Actual Status of 19 parks:** Ministry has approved 19 Textile park in the last 4 years. Out of these nineteen (19) parks, Six (6) in Gujarat, Four (4) in Maharashtra Three (3) projects in Andhra Pradesh, Two (2) in Uttar Pradesh and One (1) each in Assam, Haryana, Jammu & Kashmir & Rajasthan has been approved. Once completed, these parks are expected to generate investment of around ₹6,353.00 crore and provide employment to around 50,470 workers. Details of these projects are at **Annexure-II**.

**(b) Details of parks set up in North Eastern region, Jammu and Kashmir:**

The Ministry of Textiles has approved total 3 projects in these regions: Two (2) in Jammu & Kashmir and One (1) project in North-east (Assam). Once all these three projects are completed, they will attract an investment to the tune of ₹688.48 crore and will generate employment opportunities for around 8221 workers. Detail of these projects are at **Annexure-III**.

**(c) Details of Model Parks which are functioning well:** Out of the nineteen (19) completed projects of this Ministry, the details of seven (7) model parks are as under:

(1) Brandix India Apparel City Private Limited: This Park is situated in Vishakhapatnam, Andhra Pradesh. The park was established with a project cost of ₹132.42 crore of which a government share of ₹40.00 crore was released. The park is now operational with 14 units which provide an employment to around 19,000 workers and has generated investment of around ₹1,050.00 crore.

(2) Fair deal Textile Park Private Ltd: This Park is situated in Surat, Gujarat. The park was established with a project cost of ₹105.63 crore of which a government share of ₹40.00 crore was released. The park is now operational with 22 units which provide an employment to around 1750 workers and has generated investment of around ₹256.00 crore.

(3) Madurai Integrated Textile Park Ltd, Madurai, Tamil Nadu: This Park is situated in Madurai, Tamil Nadu. The park was established with a project cost of ₹87.30 crore of which a government share of ₹ 31.50 crores was released. The park is now operational with 18 units which provide an employment to around 2551 workers and has generated investment of around ₹275.00 crore.

(4) Palladam Hi-Tech Weaving park: This Park is situated in Palladam, Tamil Nadu. The park was established with a project cost of ₹55.42 crore of which a government share of ₹22.17 crore was released. The park is now operational with 90 units which provide an employment to around 2,650 workers and has generated investment of around ₹170.00 crore.

(5) Gujarat Eco Textile Park Limited: This Park is situated in Surat, Gujrat. The park was established with a project cost of ₹128.75 crore of which a government share of ₹40.00 crore was released. The park is now operational with 34 units which provide an employment to around 10,370 workers and has generated investment of around ₹1,260.00 crore.

(6) Jaipur Integrated Texcraft Park Pvt Ltd: This Park is situated in Jaipur, Rajasthan. The park was established with a project cost of ₹60.15 crore of which a government share of ₹24.06 crore was released. The park is now operational with 16 units which provide an employment to around 500 workers and has generated investment of around ₹64.67 crore.

(7) Mundra SEZ Textile & Apparel Park Limited: This Park is situated in Kutch, Gujarat. The park was established with a project cost of ₹103.53 crore of which a government share of ₹40.00 crore was released. The park is now operational with 7 units which provide an employment to around 810 workers and has generated investment of around ₹960.00 crore. Details of these model parks are at **Annexure -IV.**

**62. The Committee are concerned to note that out of the 19 textile parks approved by the Ministry during the last four years, seven parks including four model parks are operational and others are under construction stage. Upon completion of all 19 parks, investment of ₹6,353 crore and employment to around 50,470 workers is expected. The Committee feel that the delay in implementation of the schemes would defeat its very purpose. Hence, the Committee exhort upon the Ministry to analyse reasons of delay and finalise a deadline for the completion of the textile parks. Further, the Committee desire that the Ministry may consider some special benefit/ package for implementing agencies which may include quick and hassle free single window clearance from the authorities for infrastructural set up etc. and also make efforts to ensure that the scheme is not hampered by shortage of funds so that the completion of parks may be speeded up and the objective of the Ministry to attract investment and generate employment could be achieved.**

## **XII WOOL DEVELOPMENT PROGRAMME:**

63. An integrated programme namely Integrated Wool Development Programme (IWDP) designed for holistic growth of wool sector by including essential requirements of all stakeholders of Wool Sector like: formation of co-operatives of wool producers, creation of required facilities for wool producers at a centralized place, wool shearing by machine, Wool marketing and grading, Wool processing and Woollen product manufacturing etc. The integrated programme will provide support to entire chain of Wool Sector from shepherd to end consumer to achieve the main objective i.e. to increase the wool production as well as its quality.

64. A scheme namely Reconstruction Plan for J&K state has been included with financial allocation of ₹50 crore. in compliance with the announcement made by Hon'ble Prime Minister. Under the scheme, components covering development of pashmina sector in Ladakh region, establishment of processing facilities at Srinagar, marketing and promotion etc. have been included.

**65. In so far as the development of woollen sector is concerned, the Committee appreciate the initiative of offering a special package with ₹50 crore as the present Financial year's B.E on a reconstruction plan for Jammu & Kashmir State for promotion of Pashmina wool craft, from production to marketing and establish Pashmina as a globally know brand. The need to increase job opportunities for artisans of J&K is strongly felt too. Hence, the Committee desire that the fund, though small, should be utilised**

**fully for the intended purpose and the results be reported to them. The Committee emphasize that such initiatives need to be continued on States like J&K to instill confidence among the artisans as well as save the age old weaving crafts from dying due to neglect.**

**New Delhi;  
12<sup>th</sup> March, 2018  
*21st Phalguna, 1938 (Saka)***

**DR. KIRIT SOMAIYA  
CHAIRPERSON  
STANDING COMMITTEE ON LABOUR**

## Scheme-wise financial/physical targets and achievements during 2017-18

Sl No.	Name of Sector/ Scheme	Target	Physical Achievements.
1	2	8	9
1	<b>Handlooms</b>		
i	<i>National Handloom Development Programme (NHDP) (CHDS + RRR Package merged under NHDP) (a) Block Level (b) Domestic Trade events (c) Overseas Trade events and (d) Mudra Loan beneficiaries</i>	(i)75 Block Level Cluster, (ii)200 Domestic Trade Events, (iii)10 Overseas Events (iv)100000 Mudra loan/Weavers Credit Card	(i)43 Block Level Cluster, (ii)126 Domestic Trade Events, (iii)07 Overseas Events (iv)22332 weavers were sanctioned loan (as on Dec'17)
ii	<i>Millgate Price Scheme /Yarn Supply Scheme</i>	1540 lakh kg. of yarn will be supplied	823.26 lakh kg (as on Dec'17)
iii	<i>Handloom Weaver comprehensive Welfare Scheme</i>	(i) (MGBBY) migrated to Pradhan Mantri Jeevan Jyoti Bima Yojna and Pradhan Mantri Suraksha Bima Yojana w.e.f. 1 <sup>st</sup> June 2017 in the age group of 18-50 years where as Handloom weaver in the age group of 51-59 continue to get the coverage under MGBBY.  <b>(ii) HIS-health Insurance Scheme have been subsumed in the Rashtriya Bima Yojana since 29<sup>th</sup> March 2016</b>	
iv	<i>Trade Facilitation Center &amp; Craft Musuem</i>	Project is being set up for promoting rich tradition of handlooms ,including handi crafts and silk products of Varanasi.	Deendayal Hastkala Sankul (Trade Centre & Craft Musuem) at Bada Lalpur, Varanasi was dedicated to the public by Hon'ble Prime Minister of India on 22nd Sep.2017. The project has been set up on land measuring 7.93 acres with built up area of 43,450 sq. mtrs. with an estimated cost of Rs 275.00 crore.
v	<i>Weavers service centre</i>	Revenue related	Revenue related

SI No.	Name of Sector/ Scheme	Target	Physical Achievements.
1	2	8	9
vi	<i>Reservation Act 1985</i>	Revenue related	Revenue related
vii	Development Commissioner (HL)	Revenue related	Revenue related
viii	Development Commissioner (Enforcement)	Revenue related	Revenue related
ix	Museum	Revenue related	Revenue related
x	Institute of Handloom Technology	Revenue related	Revenue related
	<b>Total (Handlooms)</b>		
2	<b>Sericulture</b>		
	<b>Integrated Scheme for Silk Development Industry</b>	Silk Production target of 33,840 MT	1. <b>Mulberry</b> Total -11430 2. <b>Vanya Silk</b> – Total 5273 <b>Grand Total</b> 16703 MT (as on Nov'17)
i	<i>R&amp;D/Transfer of Technology/ Training &amp; IT Initiatives (merged with ISSDI)</i>	(i)No of Research projects initiated-50 (ii)No. of projects concluded-36 .	(i)No of Research projects initiated-30 (ii)No. of projects concluded-13 .
ii	<i>Seed Organization(merged with ISSDI)</i>	(i) Mulberry Seed-440 lakh dfls (ii)Tasar-51.08  (iii)Muga-6.87  (iv)Eri-4.78	(i) Mulberry Seed-215.23 lakh dfls (ii)Tasar-41.71 lakh dfls  (iii)Muga-5.45 lakh dfls  (iv)Eri-5.84 lakh dfls
iii	<i>Coordination &amp; Market Develpoment (HRD) (merged with ISSDI)</i>	Not quantifiable	
vi	<i>Quality Certification Systems (QCS)Export Promotion, Brand Promotion and Infrastructure Upgradations by ISEPC &amp; SMOI</i>	i) 27.50 lakh Silk Mark labels sold  (ii)No of new members enrolled-250	i) 17.65 lakh Silk Mark labels sold  (ii) No of new members enrolled-185 (iii)Programmes/Exhibitions - 394 Nos.



Sl No.	Name of Sector/ Scheme	Target	Physical Achievements.
1	2	8	9
	<i>(merged with ISSDI)</i>	(iii) Programmes/Exhibitions - 450 Nos.	
	<b>Total (Sericulture)</b>		
3	<b>Handicraft</b>		
1.	<b>National Handicraft Development Programme [NHDP]</b>		
i	<i>Design &amp; Technical Development (merged with NHDP)</i>	152 programmes Tool Kits distribution	650 distributed
ii	<i>Baba Saheb Ambedkar Hastshilp Vikas Yojana (merged with NHDP)</i>	120 Clusters	23 clusters (As on 15th Dec'2017)
iii	<i>Marketing Support &amp; Services (merged with NHDP)</i>	(i) Support for 177 Domestic events  (ii) 20 International events	1. 220 Domestic marketing events like Gandhi Shilp Bazar/craft bazaar/exhibitions and awareness programme  2. 13 International events like marketing workshop, seminars, brand promotion and web marketing (As on 15th Dec'2017)
iv	<i>Research &amp; Development (merged with NHDP) (merged with NHDP)</i>	30 survey studies, 50 Seminar workshop	04 survey studies, 22 Seminar workshop (As on 15th Dec'2017)
v	<i>Direct Benefit to Artisans (merged with NHDP)</i>	24.00 lakh for ID cards, 8.00 lakhs for AABY, 10000 interest subvention 300 Support to artisans in indigent circumstances	16.46 lakhs ID cards printed NIL 2173 application for Mudra Loan 313 Support to artisans in indigent circumstances. (As on 15th Dec'2017)
vi	<i>Human Resource Development (merged with NHDP)</i>	234 programmes	276 programmes. (As on 15th Dec'2017)
vii	<i>Infrastructure &amp; Technology Development Scheme (merged with NHDP)</i>	13 projects	5 Projects

Sl No.	Name of Sector/ Scheme	Target	Physical Achievements.
1	2	8	9
2.	<i>Comprehensive Handicrafts Cluster Development Scheme (CHCDS)</i> (i) Mega Cluster (ii) Special Projects under Integrated Development and Promotion of Handicraft (iii) Development of other Crafts of J&K (iv) Hastkala Academy	1. There is no specific target in handicrafts Mega Cluster	
i	<i>Development of other crafts in J&amp;K</i>	There is no specific target	2 Technical training 6 Design & Product Dev., 4 Market linkages, 3 Common Facility Centers/ Common production Centre, 6 Workshop, 8 awareness workshop done in Srinagar. (As on 15th Dec'2017)
ii	<i>Setting up Hast Kala Academy in Delhi</i>	To set up Hastkala Academy	Draft Cabinet has been submitted for final approval and subsequent concurrence of Hon'ble Cabinet
iii	Training and Extension		
xi	Development Commissioner (HC)	Revenue related	Revenue related
xii	Marketing and Services Extension	Revenue related	Merged with NHDP
xiii	Economic and Crafts	Revenue related	Merged with NHDP
xiv	Export Promotion	Revenue related	Merged with NHDP
xv	Indian Institute of Craft Technology	Revenue related	Revenue related
	<b>Total (Handicraft)</b>		
<b>4</b>	<b>Powerlooms</b>		

Sl No.	Name of Sector/ Scheme	Target	Physical Achievements.
1	2	8	9
	Power Tex India (Scheme of Group Workshed scheme, CFC scheme, Yarn Bank Scheme, Insitu Up-gradation merged)	<p>1. No. of looms upgraded-41007</p> <p>2.No. of projects approved/No. of Looms installed-</p> <p>3. 3 projects /785</p> <p>4. No of CFC -4</p> <p>5. No of Yarn Bank approved-4</p>	<p>1. During the period April to December 2017, 44000 looms have been upgraded . Ø Since inception 175649 looms have been upgraded</p> <p>2. 48 projects approved, 532Looms installed</p> <p>3. No of CFC -7</p> <p>4. No of Yarn Bank approved-30</p>
i	Integrated Scheme for Powerloom Sector Development includes two new components (Solar Energy and Pradhan Mantri Credit Scheme for powerloom weavers)	<p>1.No. of weavers (Mudra/Standup)-100</p> <p>2. Solar Energy- No. of projects-120</p>	<p>Nil</p> <p>Nil</p>
ii	<i>Group Insurance Scheme</i>	No.of weavers enrolments-235000	94153 powerloom workers have been insured upto 31.12.2017
iii	Group Workshed Scheme	No. of projects approved/No. of Looms installed- 33 projects /785	Since inception, 256 projects have been approved and GOI subsidy of Rs.87.85 crore has been released upto 31.12.2017. during 2017-18 no.of project approved is 48 and 785 looms installed
vi	Scheme for In-Situ up-gradation of plain Powerlooms (merged with Power Tex India)	No. of looms upgraded-41007	During the period April to December 2017, 44000 looms have been upgraded . Ø Since inception 175649 looms have been upgraded
	<b>Total (Powerlooms)</b>		
5	<b>Wool &amp; Woolens</b>		
i	Pashmina Wool Devp.Programme	1 Angora mini farm project	Guidelines for implementation of

Sl No.	Name of Sector/ Scheme	Target	Physical Achievements.
1	2	8	9
ii	Wool Development Board		Wool Sector Scheme (IWDP) is under process
iii	Integrated Wool Improvement Devp. Prog.	16.64 lakh sheep for health care, breed improvement component under ongoing projects	
iv	Quality Processing of Wool & Woollen Scheme		
	<b>Total (Wool &amp; Woolens)</b>		
<b>6</b>	<b>Development of Mega Cluster</b>		
i	CHCDS- Handicrafts Mega Cluster	There is no specific target in handicrafts Mega Cluster	Consolidation of 9 ongoing Handicraft Mega Clusters Projects.
ii	CHCDS- Handloom Mega Cluster	1 mega Cluster to set up	
iii	CPCDS – Powerloom Mega Cluster		
iv	Silk Mega cluster	Not quantifiable	DPR under preparation
	<b>Total (Mega Cluster)</b>		
	<b>Sub Total (A)</b>		
<b>B</b>	<b>Industry &amp; Mineral</b>		
7	<i>NIFT</i>	1.Raebareli 2. NER 3. J&K 4. Varanasi	Work in progress
9	<i>R &amp; D</i>	There is no target fixed	The benefit accrue from the ability of the sector to keep pace with changing technology and processes
10	<i>TUFS</i>	2180 units to be assisted for technology upgradation	12587 UIDs have been issued under RRTUFS with project cost of Rs. 55710.53 crore and subsidy value of Rs. 7284.57 crore. Under ATUFS, 3235 UIDs have been issued with project cost of Rs. 11039.31 crore and subsidy value of Rs. 850.28 crore till 21.09.2017

SI No.	Name of Sector/ Scheme	Target	Physical Achievements.
1	2	8	9
11	<i>Scheme for Integrated Textile Park</i>	Sanction of 6 new Textile Parks with 80 production units	New Projects are not sanctioned against cancellation
12	<i>Jute Technology Mission</i>	Production of Jute goods to increase up to 20 lakh MT	
13	<i>Export Promotion Studies</i>	6 Ongoing studies	7 studies have been completed
	<i>Textile Export Intelligence and Promotion Scheme</i>		
17	<i>Integrated Scheme for Skill Devp.</i>	5 lakh persons to be trained	A total of 1,00,674 persons have been trained during 2017-18 (till 3 <sup>rd</sup> January 2018)
18	<i>Technical Textiles</i>		
i	Scheme for Usage of Geotextiles in North Eastern Region	(a).Construction of 30 Kms. Road with Geotextiles (b).Slope Stablization Project to be carried out © Water Reservoir Projects to be carried out	Projects approved by AMC/EC are being executed
ii	Scheme for promoting Agro textiles in North East		44 demonstration centre has become operational
19	Integrated Processing Development Scheme	Sanction of 6 new high capacity common effluent treatment plants for textile processing	Extension of scheme for next 3 years is approved. Scheme guidelines has been revised and published in the Gazette
20	NER Textile Promotion Scheme	Comprehensive development of all segment of Textile Sectors such as Powerloom, Silk, Jute, Handloom, Handicraft and Apparel & Garmenting	i. Cluster Development Projects for Handlooms: 195 cluster development projects 2. marketing support to the handloom weavers in different states 3. Handicrafts: six projects have been sanctioned for development of NE handicrafts. 4. The first powerloom project has been introduced in Manipur 5. Incubation Center in Jute using digital printing technology at

SI No.	Name of Sector/ Scheme	Target	Physical Achievements.
1	2	8	9
			Guwahati to create facility for digital printing for jute fabrics.6. Silk - 24 projects covering Mulberry, Eri and Muga silk implemented in all NE States. 29255 acre existing and new have been brought under host plantation of Mulberry, Eri and Muga
21	Workers Hostel		
22	Housing Scheme for Jute mill workers		
23	TRAs		
24	Flatted Factory cum Incubators		Construction in two projects started and both the projects are expected to be completed by 1 <sup>st</sup> quarter of next Financial year. Scheme is extended for next three years for committed liability only.
25	COP JC	Revenue	Revenue
26	IJIRA	Revenue	Revenue
27	Secretariat Economic Services	Revenue	Revenue
28	Textile Commsiiooner	Revenue	Revenue
29	Jute Commissioner	Revenue	Revenue
30	International Contribution	Revenue	Revenue
31	Subsidy to Jute Corporation of India towards Market Operation	Revenue	Revenue
32	Payment against Cess collection- Jute	Revenue	Revenue
33	Cotton Corporation	Revenue	Revenue
34	Textile Labour Rehabilitation Scheme(TWRFS)	Revenue	Revenue
35	COP	Revenue	Revenue
36	AEPC		
37	Remission of State Levies (ROSL)		Disbursement of claim to the exporters through Dept. of Revenue
38	PMPRPY		

Sl No.	Name of Sector/ Scheme	Target	Physical Achievements.
1	2	8	9
39	Textile Committee	Revenue	Revenue
	<b>Sub Total(B)</b>		
	<b>TOTAL (A+B).</b>		
	<b>Capital</b>		
1	National Handloom Development Programme	Capital	Capital
2	Trade Facilitation Center Craft Museum	Capital	Capital
	<b>Total</b>		
3	British India Corprotion	Capital	Capital
4	NJMC	Capital	Capital
5	Loan To BJEL	Capital	Capital
	<b>Total</b>		
	<b>TOTAL Capital</b>		
	<b>GRAND TOTAL</b>		

Textile Parks Approved in Last 4 years											
S. no	State	Parks sanctioned in last 4 years	Date of sanction as per PAC	Total Project Cost (Rs. In crores)	GOI share (In crores)	Released GoI share (In crores)	Employment Proposed	Units Proposed	Investment proposed (In crores)	Actual Investment (in crores)	status
1	Andhra Pradesh	Tarakeshwara Integrated Textile Park	24.03.2015	103.44	40.00	4.00	2199	10	344.17	16.01	Under construction
2		Guntur Textile Park, Guntur	20.09.2014	105.12	40.00	4.00	2960	61	419.86	19.01	Under construction
3		Gautam Budha Textile Park	9.11.2014	102.91	40.00	4.00	2810	42	570.73	0.00	Under construction
4	Assam	Prag Jyoti Textile Park, Darrang	20.09.2014	47.25	40.00	9.76	2603	42	321.92	1.60	Under construction
5	Gujarat	Palsana ITP Park, Surat, Gujarat	20.09.2014	103.36	40	4	4206	62	489.35	12.40	Under construction
6		Amitara Green High Tech Textile Park Pvt Ltd.	20.09.2014	103.4	40	20.00	2580	11	500.22	92.27	Under construction
7		NSP Infrastructure Private Limited, Surat	06.08.2015	104.65	40	0	1955	42	268.64	Nil	Under construction



8		Karanj Integrated Textile Park	2.02.2016	104.95	40	10.00	885	42	220.82	24.97	Under construction
9		Shahlon Textile Park	30.06.2016	103.93	40	4.00	1865	25	205.98	16.40	Under construction
10		Shanti Integrated Textile Park Pvt Ltd., Surat	20.09.2014	104.12	40	8.00	2777	45	404.53	56.15	Under construction
11	Haryana	Alishan Integrated Textile Park, Panipat	24.03.2015	102.76	40	4.00	996	12	180.83	55.89	Under construction
12	Jammu and Kashmir	Kashmir Wool & Silk Textile Park, Ghatti, J & k	20.09.2014	48.06	40.00	0	3110	50	224.61	Nil	Under construction
13		Satyaraj Integrated Textile Park, Shirol, Kolhapur	15.10.2014	104.49	40.00	10.00	2541	41	386.31	19.64	Under construction
14	Maharashtra	Dhule Textile Park, Dhule, Maharashtra	15.10.2014	106.57	40.00	4.00	1564	61	640.09	10.01	Under construction
15		Hinganghat Textile Park, Maharashtra, Vidharbha	24.03.2015	108.38	40.00	4.00	1015	11	328.37	0.00	Under construction
16		Sri Ganesh, Dhule, Maharashtra	24.03.2015	104.03	40.00	4.00	1044	12	305.03	Nil	Under construction

17	Rajasthan	Srinath Integrated Textile Park, Bhilwara	8/6/2015	101.92	40.00	0	3025	28	168.00	0.00	Under construction
18	Uttar Pradesh	Ecotex, Uttar Pradesh	24.03.2015	104.03	40.00	0	9485	36	180.27	Nil	Under construction
19		Farukkhabad Integrated Textile Park	02.02.2016	104.14	40.00	0	2850	50	193.29	0.00	Under construction park
<b>TOTAL</b>				<b>1867.51</b>	<b>760</b>	<b>93.76</b>	<b>50470</b>	<b>683</b>	<b>6353.02</b>	<b>232.08</b>	

## Annexure-III

Details of Textile Parks in J&K and North Eastern States										
S.No.	Name of the park	Date of sanction as per PAC	Total Project	GOI share (In crores)	Released Gol share (In crores)	Employment Proposed	Units Proposed	Investment proposed (In crores)	Actual Investment (in crores)	status
Jammu & Kashmir										
1	J&K Integrated Textile Park, Kathua Jammu	Nov., 2012	44.11	39.70	35.73	2508	27	141.95	54.00	park is operational
2	Kashmir Wool & Silk Textile Park	20.09.2014	48.06	40.00	0	3110	50	224.61	Nil	Under construction
Assam										
2	Prag Jyoti Textile Park, Darrang	20.09.2014	47.25	40.00	10.00	2603	42	321.92	1.60	Under construction
	<b>TOTAL</b>		<b>139.42</b>	<b>119.70</b>	<b>45.73</b>	<b>8221.00</b>	<b>119.00</b>	<b>688.48</b>	<b>55.60</b>	

**Annexure-IV**

<b>Model Textile Parks under SITP</b>								
S.No.	Name of the park	Date of sanction as per PAC	Project Cost (In crores)	GOI share (In crores)	Released GoI share (In crores)	Actual Employment	Units Operational	Actual Investment (in crores)
1	Brandix India Apparel City Private Limited, Vizag	01.07.2006	134.42	40	40	19000	14	1050
2	Fairdeal Textile Park Pvt Ltd, Surat.	25.09.2007	105.63	40	40	1750	22	256
3	Madurai Integrated Textile Park Ltd, Madurai, Tamilnadu	05.03.2007	87.30	31.50	31.50	2551	18	275.00
4	Palladam Hi-Tech Weaving park, Palladam, Tamilnadu	03.02.2006	55.42	22.17	22.17	2650	90	170
5	Gujarat Eco Textile Park Limited, Surat	25.11.2005	128.75	40.00	40.00	10370	34	1260.00
6	Jaipur Integrated Texcraft Park Pvt Ltd, Jaipur, Rajasthan	16.05.2008	60.15	24.06	24.06	500	16	64.67
7	Mundra SEZ Textile & Apparel Park Limited, , Kutch, Gujarat	03.02.2006	103.53	40.00	40.00	810	7	960.00
	<b>TOTAL</b>		<b>675.2</b>	<b>237.73</b>	<b>237.73</b>	<b>37631</b>	<b>201</b>	<b>4035.67</b>

**STANDING COMMITTEE ON LABOUR**  
**(2017-18)**

**Minutes of the Twelfth Sitting of the Committee**

The Committee sat on Friday, the 16<sup>th</sup> February, 2018 from 1500 hrs. to 1700 hrs. in Committee Room No.'2', Parliament House Annexe-Extension Building, New Delhi.

**PRESENT**

**Dr. Kirit Somaiya - CHAIRPERSON**

**MEMBERS**

**LOK SABHA**

2. Shri Rajesh Kumar Diwakar
3. Shri Satish Chandra Dubey
4. Shri Satish Kumar Gautam
5. Shri C.N. Jayadevan
6. Shri Bahadur Singh Koli
7. Dr. Arun Kumar
8. Shri Kaushalendra Kumar
9. Shri Hari Manjhi
10. Shri Hariom Singh Rathore
11. Shri Naba Kumar Sarania

**RAJYA SABHA**

12. Shri Nazir Ahmed Laway
13. Shri P.L.Punia
14. Shri Rajaram
15. Shri Amar Shankar Sable
16. Shri N. Gokulakrishnan

**SECRETARIAT**

1. Ms. Rimjhim Prasad - Joint Secretary
2. Smt. Anita B. Panda - Director

## Witnesses

### Representatives of the Ministry of Textiles

<b>Sl. No.</b>	<b>Name</b>	<b>Designation</b>
1.	Shri Anant Kumar Singh	Secretary (Textiles)
2.	Smt. Pushpa Subrahmanyam	Sepecial Secretary
3.	Sh. S.C. Pandey	AS&FA
4.	Shri A. Madhukumar Reddy	Joint Secretary
5.	Sh. Puneet Agarwal	Jt. Secretary & CMD (HHEC)
6.	Ms. Jaya Dubey	Jt. Secretary
7.	Ms. Neelam S. Kumar	CCA
8.	Shri Sanjay Rastogi	DC (Handlooms)
9.	Shri Shantmanu	DC (Handicrafts)
10.	Shri Pramod Nagpal	CMD, CCIC
11.	Smt. Babni Lal	Eco. Advisor
12.	Ms. Aditi Das Rout	Trade Adviser
13.	Shri S. Srinivas	CMD, NTC & NHDC
14.	Ms. P. Ali Rani	CMD, CCI
15.	Shri Ram Singh	Dir (MoT) and CMD (BIC)
16.	Shri Rajit R. Okhandir	MS, CSB, Bangalore
17.	Smt. S. Muraleedharan	DG, NIFT
18.	Shri Arvind Kumar M	Secretary (NJB),
19.	DR. K. V. R. Murthy	CMD, JCI

2. At the outset, the Chairperson welcomed the Members of the Committee and the representatives of the Ministry of Textiles to the sitting of the Committee

convened for taking oral evidence of the Ministry on 'Demands for Grants (2018-19)'. The Chairperson then drew attention of the representatives to Direction 58 of the 'Directions by the Speaker' regarding confidentiality of the proceedings of the Committee during deposition before the Parliamentary Committees. He then asked the Secretary, Textiles, to give an overview of the actual expenditure for the previous year (2017-18) and Budgetary provisions for the year 2018-19 for various programmes/ activities/schemes and the plan of action on the part of the Ministry for optimal utilisation of the earmarked funds.

3. The Secretary, accordingly, gave brief introduction about the implementation of Schemes/Programmes by the Ministry of Textiles and apprised the Committee about the achievements, physical performance and measures taken for overall utilisation of funds and implementation of various Schemes/programmes currently in operation, which was followed by a PowerPoint Presentation *inter-alia* highlighting the Financial performance of the Ministry for the last three years, expenditure under major schemes of the Ministry during 2017-18, the budgetary allocations for various activities for major plan Schemes for the year 2018-19 like the special financial package under the Rebate of State Levies (RoSL) for garments; North Eastern Region Textile Promotion Scheme(NERTPS); Integrated Scheme for Development of Silk Industry and Integrated Silk Development Scheme under Central Silk Board (CSB); Scheme for Integrated Textile Parks (SITP) and the measures taken/proposed to be taken for maximum utilization of the funds during the ensuing year, etc. The Secretary and other representatives of the Ministry also responded to various queries raised by the Members which *inter-alia* included reduction in proposed amount of 2018-19 fiscal ; details of amount disbursed under Cotton Corporation of India's Minimum Selling Price (MSP) operation, Performance of the implementation of the schemes like ATUFS, RoSL, SITP and cluster development, details of Handloom weavers trained under Skill Upgradation training, inspection mechanism for training institutes and placement details of trained weavers; Central Silk Board and reasons for shortfall in its achievement; Status of NTC Mills that have been

handed over to State Government of Puducherry and usage of land by NTC in Beawar premises; current status and performance of Handloom & Handicrafts Corporation Limited, etc. The members also enquired about impact of GST roll out on Textiles industry.

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

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

(The witnesses then withdrew)

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

**The Committee then adjourned.**



**STANDING COMMITTEE ON LABOUR**

**(2017-18)**

**Minutes of the Fourteenth Sitting of the Committee**

The Committee sat on Monday, the 12<sup>th</sup> March, 2018 from 1230 hrs. to 1330 hrs. in Room No. '95-A' (Chairperson's Chamber), 2nd Floor, Parliament House, New Delhi.

**PRESENT**

**Dr. Kirit Somaiya, Chairperson**

**Lok Sabha**

2. Shri Ashok Kumar Dohrey
3. Shri Satish Kumar Gautam
4. Shri Bahadur Singh Koli
5. Shri Kaushalendra Kumar
6. Shri Hari Manjhi
7. Shri Dayakar Pasunoori

**Rajya Sabha**

8. Shri Ram Narain Dudi
9. Shri Amar Shankar Sable
10. Shri Tapan Kumar Sen
11. Ms. Dola Sen

**SECRETARIAT**

- |                         |   |                     |
|-------------------------|---|---------------------|
| 1. Ms. Rimjhim Prasad   | - | Joint Secretary     |
| 2. Smt. Anita B. Panda  | - | Director            |
| 3. Shri C. Vanlalruata  | - | Additional Director |
| 4. Shri Kulvinder Singh | - | Under Secretary     |

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened to consider and adopt the following draft Reports:

- (i) XX XX XX XX XX;
- (ii) Demands for Grants (2018-19) of the Ministry of Textiles; and
- (iii) XX XX XX XX XX.

3. The Committee, then, took up the Draft Reports one by one for consideration and adopted the draft Reports after some discussions with minor modifications.

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

5. XX XX XX XX XX

**The Committee then adjourned.**

---

XX Does not pertain to this Report.