

39

**STANDING COMMITTEE ON LABOUR, TEXTILES AND SKILL
DEVELOPMENT**

(2022-23)

(SEVENTEENTH LOK SABHA)

MINISTRY OF TEXTILES

**Action Taken by Government on the Observations/
Recommendations of the Committee contained in their Thirty-First
Report (Seventeenth Lok Sabha) on Demands for Grants (2022-23) of
the Ministry of Textiles**

THIRTY-NINTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

December, 2022/ Agrahayana, 1944 (Saka)

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Report (Seventeenth Lok Sabha) on Demands for Grants (2022-23) of
the Ministry of Textiles**

Presented to Lok Sabha on 20.12.2022

Laid in Rajya Sabha on 20.12.2022



LOK SABHA SECRETARIAT

NEW DELHI

December, 2022/ Agrahayana, 1944 (Saka)

CONTENTS

PAGE No.

COMPOSITION OF THE COMMITTEE (iv)

INTRODUCTION (v)

CHAPTER I Report

CHAPTER II Observations/Recommendations which have been accepted by the Government

CHAPTER III Observations/Recommendations which the Committee do not desire to pursue in view of the Government's reply

CHAPTER IV Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration

CHAPTER V Observations/Recommendations in respect of which replies of the Government are interim in nature

APPENDICES

Appendix- I* Minutes of the Sitting of the Committee held on 19th December, 2022.

Appendix- II Analysis of the Action Taken by Government on the Observations/ Recommendations contained in the Thirty-First Report (Seventeenth Lok Sabha)

* Not appended with this cyclostyled copy.

**COMPOSITION OF THE STANDING COMMITTEE ON LABOUR, TEXTILES AND
SKILL DEVELOPMENT**

(2022-23)

Shri Bhartruhari Mahtab - Chairperson

MEMBERS

LOK SABHA

2. Shri Subhash Chandra Baheria
3. Kunwar Pushpendra Singh Chandel
4. Shri Pallab Lochan Das
5. Shri Feroze Varun Gandhi
6. Shri Satish Kumar Gautam
7. Shri Bache Gowda B.N.
8. Dr. Umesh G. Jadhav
9. Shri Dharmendra Kumar Kashyap
10. Adv. Dean Kuriakose
11. Shri Pakauri Lal
12. Prof. Sanjay Sadashivrao Mandlik
13. Shri Dayakar Pasunoori
14. Shri Khalilur Rahaman
15. Dr. D. Ravikumar
16. Shri Naba (Hira) Kumar Sarania
17. Shri Bhola Singh
18. Shri Ganesh Singh
19. Shri Nayab Singh
20. Shri K. Subbarayan
21. Shri Giridhari Yadav

RAJYA SABHA

22. Shri Naresh Bansal
23. Shri Neeraj Dangi
24. Shri R. Dharmar
25. Prof. Manoj Kumar Jha
26. Shri Elamaram Kareem
27. Ms. Dola Sen
28. Shri M. Shanmugam
29. Shri Shibu Soren
30. Shri Vijay Pal Singh Tomar
31. Shri Binoy Viswam

SECRETARIAT

- | | | | |
|----|-------------------------|---|----------------------|
| 1. | Shri T.G. Chandrasekhar | - | Additional Secretary |
| 2 | Shri D.R. Mohanty | - | Director |
| 3. | Shri Sanjay Sethi | - | Additional Director |
| 4. | Ms. Shilpa Kant | - | Committee Officer |

INTRODUCTION

I, the Chairperson, Standing Committee on Labour, Textiles and Skill Development (2022-23) having been authorized by the Committee, present on their behalf this Thirty-Ninth Report on Action taken by Government on the Observations/ Recommendations of the Committee contained in their Thirty-First Report (Seventeenth Lok Sabha) on Demands for Grants (2022-23) of the Ministry of Textiles.

2. The Thirty-First Report was presented to Lok Sabha and laid in Rajya Sabha on 15th March, 2022. The Ministry of Textiles furnished their replies on 29th July, 2022 indicating Action Taken on the Observations/ Recommendations contained in the Thirty-First Report. The Committee considered and adopted the Draft Report at their sitting held on 19 December, 2022.

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

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

New Delhi;
19 December, 2022
28 Agrahayana, 1944 (Saka)

BHARTRUHARI MAHTAB
CHAIRPERSON,
STANDING COMMITTEE ON LABOUR,
TEXTILES AND SKILL DEVELOPMENT

CHAPTER- I REPORT

This Report deals with the action taken by the Government on the Observations/Recommendations of the Committee contained in their Thirty-first Report (Seventeenth Lok Sabha) on 'Demand for Grants (2022-23)' of the Ministry of Textiles.

2. The Thirty-first Report was presented to Lok Sabha/laid in Rajya Sabha on 15th March, 2022. It contained 30 Observations/Recommendations. Replies of Government in respect of all the Recommendations have been received and are categorized as under:-

(i)	Observations/Recommendations which have been accepted by the Government – Rec. Para Nos. 1, 3, 5, 6, 7, 8, 9, 11, 12, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and 28	Chapter-II Total:24 Percentage: 80.00
(ii)	Observations/Recommendations which the Committee do not desire to pursue in view of the Government's reply – Rec. Para No. 30	Chapter-III Total:01 Percentage:3.33
(iii)	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration – Rec. Para Nos. 2, 4 & 29	Chapter-IV Total:03 Percentage:10.00
(iv)	Observations/Recommendations in respect of which replies of the Government are interim in nature - Rec. Para Nos. 10 and 14	Chapter-V Total:02 Percentage: 6.67

3. The Committee desire that Action Taken Notes in respect of Observations/ Recommendations contained in Chapter-I and final action taken reply in respect of the Recommendations contained in Chapter V of this Report, for which interim reply has been given by the Government, be furnished to them at the earliest.

4. The Committee will now deal with some of their earlier Observations/ Recommendations which either require reiteration or merit further comments.

I. OVERALL FINANCIAL PERFORMANCE

(Recommendation Para No. 2)

5. In their Thirty-First Report, the Committee had noted that an amount of Rs. 3,631.64 crore was allocated as BE 2021-22 which was significantly enhanced to Rs. 11,449.32 crore at the RE stage whereas the actual expenditure as on 22.02.2022 was Rs. 10,012.79 crore, depicting under utilisation of funds in almost all the schemes. Expressing concern over the under utilization of allocated funds during 2021-22, the Committee had impressed upon the Ministry to strengthen the monitoring mechanism and fortify the measures initiated so as to timely obtain utilization certificates from the Implementing Agencies and ensure optimal utilization of the remaining allocated funds by 31st March, 2022.

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

"The Actual Expenditure incurred during the financial year 2021-22 is Rs.11170.90 crore which is 97.57% of the RE of Rs.11449.32 crore. The savings made under different schemes were utilized by the other Scheme with due approval of Secretary (Textiles) and Ministry of Finance. During the SOM Meeting all Divisional heads were also advised to monitor pending UCs and also to ensure for their timely submission."

7. The Committee note that the Ministry were able to utilize 97.57 percent of the 2021-22 RE by utilizing the savings made under different Schemes for the other Schemes with the approval of the Secretary (Textiles) and the Ministry of Finance. The Committee feel that the very purpose of Scheme-wise allocation of funds is defeated if the funds are not utilized for the intended and specific Scheme/Project. Prudence therefore demands that reappropriation of funds be resorted to only under exceptional circumstances. The Committee further emphasize that the monitoring mechanism be strengthened so as to timely obtain utilization

certificates from the Implementing Agencies which would result in optimum utilization of funds earmarked for each Scheme. The Committee also desire that special attention be paid to those Schemes which had suffered due to diversion of funds during 2021-22 and are being implemented during 2022-23 too.

(Recommendation Para No. 4)

8. In their earlier Report the Committee had noted that the Ministry's proposed Budgets were curtailed at the BE stage and the allocated BEs were again reduced at the RE stage. Even the reduced REs were not fully utilised by the Ministry depicting deficient planning and inaction on the part of the Implementing Agencies. The Committee had, therefore, urged the Ministry to bring in systemic improvements so as to ensure maximum utilization of the earmarked annual funds.

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

"The Budget Provisions under the schemes of Ministry of Textiles are kept after detailed discussion with the senior officers of the Ministry of Textiles and Ministry of Finance. Accordingly all Divisions were advised to prepare the Budget Estimates and Revised Estimates on the basis of actual requirement of funds under schemes. The Ministry has utilized 97.57% during the year 2021-22."

10. The Ministry's assertion of utilizing 97.57 percent of the 2021-22 RE allocation, and that too after utilising savings made under some Schemes, for some other Schemes, does not inspire confidence. What the Committee emphasized in their earlier Report was the inconsistency between the Ministry's budgetary projections and the actual allocations made which were further curtailed at the RE stage. The Committee, therefore, once again impress upon the Ministry to make realistic assessments of their budgetary requirements in the best possible manner so as to depict not only a prudent exercise but to optimally utilise the earmarked funds for each Scheme/Project also.

II. NATIONAL HANDICRAFT DEVELOPMENT PROGRAMME

(Recommendation Para No. 11)

11. In their earlier Report, the Committee had observed that out of the 28.4 lakh artisans registered through 60 handicraft service centres all over India, 24.78 lakh artisans had got their ID Cards (Pahchan Cards) and despite the fact that there had been consensus among all the States that ID Card issued by the Ministry would be followed, a few States were permitting usage of their own card. Observing that use of one card in all the States/UTs across the Country on a single platform would facilitate a structured and uniform approach and effective monitoring, the Committee had desired that the Ministry should coordinate with the States concerned and encourage them to adopt usage of one Central Card so that the intended benefits could be availed by the artisans without any difficulty. The Committee had also desired the Ministry to accelerate process of enrolment and issuance of Pahchan Cards by increasing the number of handicraft service centres across the Country so that all the genuine artisans could be brought under one single platform/database.

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

"The recommendation noted for compliance. Office of Development Commissioner (Handicrafts) will coordinate with the States Government to adopt usage of one Central Card for structured and uniform approach and effective monitoring.

Further, O/o DC (Handicrafts) in the year 2019, restructured the field offices throughout the country to ensure the proper and effective implementation of schemes. Further, opening of new field offices will be considered as per need of artisans and administrative requirement."

13. The Committee take note of the assurance of the Ministry to coordinate with the State Governments to adopt usage of one Central Card. Taking into consideration the immense significance of the use of one Pahchan Card by the Artisans in all the States/UTs on a single platform, the Committee impress upon the Ministry to accord utmost priority to get the job done expeditiously in coordination with the States/UTs so as to enable the artisans to avail the intended benefits seamlessly. The Committee further desire that based on the need of artisans and the administrative requirements, new field offices/service

centres be established so that the process of enrolment and issuance of Pahchan Cards to the artisans is accelerated.

III. SAMARTH - SCHEME FOR CAPACITY BUILDING IN TEXTILE SECTOR (SCBTS)

(Recommendation Para No. 25)

14. The Committee, in their earlier Report, had noted that during 2021-22, the BE for Scheme for Capacity Building in Textile Sector (SCBTS) was Rs. 100 crore which was reduced to Rs. 90 crore at RE stage and the actual expenditure had been Rs. 38.04 crore as on 22.02.2022. Further, an amount of Rs. 100 crore had been allocated as BE for 2022-23. As regards the physical targets, the Committee noted that the Ministry had set a target of training of 3.46 lakh candidates through various State agencies, sectors of Ministry of Textiles' industry and associations. However, during 2021-22, only 1,79,923 beneficiaries had enrolled for training out of whom 60,354 beneficiaries had completed training, whereas 29,805 beneficiaries were provided with placements. Noting that the second wave of Covid-19 pandemic during the first quarter of 2021-22 was the reason for shortfalls in targets and observing that the devastating effect of Covid-19 Pandemic had eased to a greater extent, the Committee had impressed upon the Ministry to step up their efforts for maximum utilization of funds by launching more number of skilling/upskilling training programmes targeted towards the entire value chain of textile sector so that the objective of overall capacity building in the Textile Sector was effectively realized.

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

"In order to ensure the objective of the scheme to address the skilled manpower requirement of textile industry, Samarth has been designed as a demand driven placement oriented scheme. The training programme under the scheme was impacted seriously during first and second wave of pandemic due to the restrictions imposed on carrying out physical classes. Ministry has constantly interacted with all the stakeholders from time to time at various levels to identify the issues faced by the industry, review of performance by Implementing Partners and analyzing the skilling requirement by the industry. Apart from rationalizing/ cancelling the target allocated to non-performing/ unwilling Implementing Partners, based on the progress of implementation, 18 Implementing Partners were allocated additional training target of 51,519 beneficiaries. Further, in order to broad-base the panel of Implementing Partners, proposals for empanelment and target allocation were invited from textile industry/ industry associations during third quarter of 2021-22. Out of the proposals received, 43 new Implementing Partners have been empanelled and allocated with total training target of 73,810 beneficiaries. With this, the total allocation of training target comes to 4.25 lakh beneficiaries among 162

training projects under the Scheme of which 77,425 beneficiaries have so far completed training and 20,401 are undergoing training. In addition, proposal for target allocation received from 10 Central/State Government agencies are also progressing at various stages. Now, with the improvement of pandemic situation, the training programmes under the scheme is gaining momentum and it is expected that the physical target set for training for the year 2022-23 could be achieved by utilizing the budget allocated for the current Financial Year."

16. While appreciating the various efforts made by the Ministry to optimally achieve the physical targets set during 2022-23 under SAMARTH Scheme, the Committee urge the Ministry to expedite finalisation of the proposals for target allocation received from 10 Central/State Government agencies so as to ensure timely allocation of training targets to them. The Committee also call upon the Ministry to intensify the measures already initiated so that more candidates are enrolled, trained and placed to cater to the skilled manpower requirement of the Textile Industry.

IV. EXPORT PROMOTION

(Recommendation Para No. 27)

17. Taking note of several steps taken by the Ministry to enhance the exports which *inter-alia* included removing Anti-Dumping Duty (ADD) on PTA acrylic fibre, promotion of viscose staple fibre and appreciating the measures initiated by the Ministry to address the challenges faced by the Textile and Apparel (T&A) Industry, the Committee, in their earlier Report, had urged the Ministry to make concerted efforts to encourage the exporters/traders to submit their duty credit scrips within a reasonable time so as to enable them to avail the benefits under Rebate of State and Central Taxes and Levies (ROSCTL) and Remissions of Duties and Taxes on Exported Products (RoDTEP) schemes thereby leveraging the Indian T&A export to a greater extent.

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

"The Committee has already appreciated the constraints posed by Covid and Ministry's effort to support the textile sector for recovering from the tough time. As far as utilization of scrips under RoSCTL/RoDTEP is concerned, exporters

have been demanding removal of the condition imposed by Department of Revenue wherein importers of RoSCTL scrip have been made liable for recovery in case of non-realization of export proceeds. This has resulted in making the scrip unattractive amongst the importers. This Ministry vide D.O letter dated 27.04.2022 has recommended Department of Revenue that RoSCTL scrips may be issued only after realization of the export proceeds which will address the concerns of non-realization of the exports."

19. The Committee note that with a view to addressing the concerns of non-realisation of exports, the Ministry have taken up the matter with Department of Revenue recommending them to issue Rebate of State and Central Taxes and Levies (RoSCTL) scrips only after realization of the export proceeds. The Committee desire the matter be persisted with the Department of Revenue so as to effectively address the concern of the exporters and augment Indian Textiles and Apparels (T&A) export.

V. PM MEGA INTEGRATED TEXTILE REGION AND APPAREL (PM-MITRA) PARKS

(Recommendation Para No. 29)

20. In their earlier Report, the Committee had noted that seven MITRA Parks were implemented through Public Private Partnership model by SPV i.e. joint venture of Centre and State Governments and 9 States had submitted their proposal for setting up of PM-MITRA Parks. Observing that these parks were aiming to attract investment of Rs. 10,000 crore, employment generation of 1.5 lakh to 1.8 lakh persons and to set up the infrastructural, skilling research laboratories, training institutes etc., the Committee had impressed upon the Ministry to speed up all the procedural formalities for approving these parks and prepare an effective action plan for their seamless implementation so that the targeted investments were attracted and the projected employment generated within a definite time frame.

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

"The Notification and Operational guidelines have been issued. All States Government were requested to submit Preliminary Project Reports (PPRs) by 15.03.2022. In response, 18 proposals from 13 State Government have been received. A National Conference on PM MITRA was organised on 04.05.2022 to discuss further road map of the Scheme. The Senior Officers of 13 State Governments participated.

The first meeting of Project Approval Committee under PM MITRA was held on 24.05.2022. PAC has examined the PPRs submitted by the State. Further clarification was sought for from State Government. Upon receiving clarification from State Government, the selection of PM MITRA site will be done on challenge method."

22. The Committee are concerned to note that only 13 State Governments have submitted Preliminary Project Reports (PPRs) whereas PPRs from the remaining State Governments are yet to be received. The Committee also find that after examination of PPRs by the Project Approval Committee, clarifications have been sought from State Governments and after their receipt, the selection of PM MITRA will be done. Considering the targeted investments and potential employment generation by these Parks, the Committee exhort the Ministry to vigorously pursue the matter with those State Governments which have not yet submitted their PPRs and also from whom clarifications have been sought so that the Scheme is effectively fructified in a time bound manner.

**New Delhi;
19 December, 2022
28 Agrahayana, 1944 (Saka)**

**BHARTRUHARI MAHTAB
CHAIRPERSON,
STANDING COMMITTEE ON LABOUR,
TEXTILES AND SKILL DEVELOPMENT**

(Vide Para No. 3 of the Introduction)

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON OBSERVATIONS/
RECOMMENDATIONS CONTAINED IN THEIR THIRTY-FIRST REPORT
(SEVENTEENTH LOK SABHA) OF THE STANDING COMMITTEE ON LABOUR,
TEXTILES AND SKILL DEVELOPMENT**

	Total	Percentage
I. Total number of Recommendations	30	
II. Observations/Recommendations which have been accepted by the Government (Rec. Para Nos. 1, 3, 5, 6, 7, 8, 9, 11, 12, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and 28)	24	80.00%
III. Observations/Recommendations which the Committee do not desire to pursue in view of the Government's reply – (Rec. Para No. 30)	01	3.33%
IV Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration – (Rec. Para Nos. 2, 4 & 29)	03	10.00%
V Observations/Recommendations in respect of which replies of the Government are interim in nature- (Rec. Para Nos. 10 and 14)	02	6.67 %
		100%