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

(2022-23)

(SEVENTEENTH LOK SABHA)

MINISTRY OF TEXTILES

**Action Taken by the Government on the Observations/
Recommendations of the Committee contained in their Forty-
Second Report (Seventeenth Lok Sabha) on Demands for Grants
(2023-24) of the Ministry of Textiles.**

FORTY-SEVENTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

July, 2023/ Ashadha, 1945 (Saka)

FORTY-SEVENTH REPORT

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DEVELOPMENT**

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Recommendations of the Committee contained in their Forty-
Second Report (Seventeenth Lok Sabha) on Demands for Grants
(2023-24) of the Ministry of Textiles.**

Presented to Lok Sabha on 21.07.2023

Laid in Rajya Sabha on 21.07.2023



LOK SABHA SECRETARIAT

NEW DELHI

July, 2023/ Ashadha, 1945 (Saka)

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* 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 Bholu 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 Sanjay Sethi - Director

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 Forty-Seventh Report on Action Taken by the Government on the Observations/ Recommendations of the Committee contained in their Forty-Second Report (Seventeenth Lok Sabha) on Demands for Grants (2023-24) of the Ministry of Textiles.

2. The Forty-Second Report was presented to Lok Sabha and laid in Rajya Sabha on 13th March, 2023. The Ministry of Textiles furnished their replies on 1st June, 2023 indicating Action Taken on the Observations/ Recommendations contained in the Forty-Second Report. The Committee considered and adopted the Draft Report at their sitting held on 17th July, 2023.

3. An analysis of the action taken by the Government on the Observations/ Recommendations contained in the Forty-Second 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;
17 July, 2023
26 Ashadha, 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 Forty-Second Report (Seventeenth Lok Sabha) on 'Demands for Grants (2023-24)' of the Ministry of Textiles.

2. The Forty-Second Report was presented to Lok Sabha/laid in Rajya Sabha on 13th March, 2023. It contained 25 Observations/ Recommendations. Replies of Government in respect of all the Recommendations have been received and are categorized as under:-

(i) Recommendations/Observations which have been accepted by the Government – Rec. Para Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 23, 24 and 25	Chapter-II Total:23 Percentage: 92.00
(ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's reply – Nil	Chapter-III Total:00 Percentage: 00
(iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration – Nil	Chapter-IV Total:00 Percentage: 00
(iv) Recommendations/Observations in respect of which replies of the Government are interim in nature - Rec. Para Nos. 21 and 22	Chapter-V Total:02 Percentage: 8.00

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 Recommendation 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. 1)

5. In their Forty-Second Report, the Committee noted that in 2022-23, the allocation at the RE stage was reduced to Rs. 3,579.61 crore vis-à-vis the BE of Rs. 12,382.14 crore. The allocation was slashed down by a substantial extent owing to the lower requirement for Cotton Corporation of India (CCI) for carrying out market support operations by way of extending Minimum Support Price (MSP) to cotton farmers. Since the seed cotton prices were ruling above MSP levels and farmers were getting higher prices for their cotton in the market, the BE allocation for the year was cut down by more than Rs.8,400 crore and surrendered at the stage of RE in 2022-23. The Committee noted that the total expenditure of the Ministry in 2022-23 as on 14 February, 2023 was only Rs.2,919.63 crore as against the RE amount of Rs.3,579.61 crore. The Ministry, however, assured utilization of the entire allocated RE amount by the end of FY 2022-23. The Committee expected the Ministry to make concerted efforts and honour their commitment for optimal utilisation of the 2022-23 RE allocation.

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

“Against the total allocation of Rs. 3579.61 crore in RE 2022-23, the Ministry of Textiles at the close of FY 2022-23, were able to utilize Rs. 3379.24 crore or 94.40% of the revised estimates of the year. In line with the recommendations of the Committee, concerted efforts were made to utilize the entire funds made available in the revised estimates. Regular monitoring of expenditures and measures to remove bottlenecks in absorption of funds (by the implementing agencies) through monitoring of unspent balances etc. were constantly undertaken, particularly during the last quarter and month of the year. Finance Wing and the Secretary, Textiles also constantly monitored the progress through weekly senior officers’ meetings. However, the constraints of unspent balances at the field levels primarily led to a shortfall in full utilization of the revised budget. The issues and challenges arising in FY2022-23 shall be kept in view during FY2023-24, to enable optimal utilization of funds in terms of the Committee’s recommendations.”

7. The Committee noted that at the end of the Financial Year, the unutilized amount of allocated funds under a scheme is diverted to other schemes with higher demands/absorptive capacities. Since the very purpose of the budgetary allocation for a particular scheme is defeated if funds are diverted to some

other Scheme, the Committee recommended that the Ministry should take cogent and prudent measures to stop the off-repeated phenomenon.

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

“The recommendation of the Committee has been noted for avoiding savings under schemes, that primarily leads to re-appropriation to schemes with higher absorptive capacity. However, in terms of the existing budgetary procedures, in case of additional requirements under any scheme/project during a year, the Ministry of Finance needs to reallocate funds from within the Demands for Grants of the Ministry, to the extent possible, before providing additional funds through supplementary demands. The Committee’s recommendations for optimal utilization of the budget/funds available for specific schemes, are however, well noted for compliance.”

9. The Committee are appreciative of the fact that the Ministry have leveraged their performance in utilizing the budgetary allocations by expending 94.40% of the revised estimates during 2022-23. The Committee desire that the Ministry keep up the momentum in the coming years as well which would facilitate in getting the requisite allocations from the Ministry of Finance for modernization and development of textile sector. The Committee also desire that the constraints faced at the field level, which led to shortfall in utilization of the revised estimates under some schemes, be addressed expeditiously so as to optimally achieve the financial targets in future.

10. The Committee also take note of the submission of the Ministry on the practice of shifting of unutilized funds from one scheme to another at the close of the Financial Year in case of additional requirements under any Scheme/Project. The Committee trust that the stipulations of the General Financial Rules, and the norms/guidelines/prescribed by the Ministry of Finance in regard to diversion of funds from one scheme to another that may have a better absorptive capacity are strictly adhered to in such cases.

II. COTTON SECTOR

(Recommendation Para No. 7)

11. In their earlier Report, the Committee noted that for providing competitive advantage to the domestic textile industry in producing best quality cotton yarn in particular, a scheme was proposed in the Budget 2023-24 based on PPP model for enhancing the productivity of extra long staple cotton. The detailed scheme is to be framed by Ministry of Agriculture in consultation with Ministry of Textiles, ICAR-CICR, Research Institutions, industry, farmers and other stake holders. For benefitting the cotton sector and the Textile industry as a whole by way of giving a boost to niche Textile products and exports, the Committee desired that the contours of the scheme be worked out and implemented in a time bound manner.

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

“For scaling up promising technologies and improving cotton productivity, a Cotton Pilot Project ‘Targeting technologies to agro-ecological zones- large scale demonstrations of best practices to enhance cotton productivity’ in PPP mode with focus on Extra Long Staple cotton and upland cotton is prepared by ICAR-Central institute for Cotton Research, Nagpur in collaboration with Department of Agriculture and Farmers Welfare (DA&FW). The project is proposed to be implemented in 286 clusters & 57 districts of 8 states in an area of 15358 Hectares with an amount of Rs. 4186.85 lakhs through public private partnership with Confederation of Indian Textile Industry -Cotton Development & Research Association (CITI-CDRA), Southern India Mills Association-Cotton Development & Research Association (SIMA-CDRA).”

13. The Committee desire that the Ministry coordinate with all agencies concerned and seek their cooperation so as to ensure implementation of the Cotton Pilot Project in a time bound manner and thereby achieve the objectives of the Scheme. This is essential considering the fact that the Project is proposed to be implemented in as many as 8 States in an area covering 15358 Hectares and an expenditure of Rs. 4186.85 lakh through Public Private Partnership (PPP) route with CITI-CDRA & SIMA-CDRA; and the Ministry of Textiles is the nodal agency responsible for improving cotton productivity and other related issues of Cotton Sector.

III. CONCESSIONAL CREDIT/WEAVERS' MUDRA LOAN SCHEME

(Recommendation Para No. 9)

14. In their earlier Report, the Committee noted that under Concessional Credit/Wavers' Mudra Loan Scheme which is a component of National Handloom Development Programme, the amount released was to the extent of Rs.10 crore in 2020-21 and Rs.15 crore in 2021-22. The physical target for both the years was 50,000 beneficiaries. There was an amount of Rs.8 crore sanctioned in 2022-23 under this Scheme and Rs.0.14 crore was sanctioned under Handloom Weaver's Welfare Scheme in 2022-23. The Committee were constrained to find that the loan amount availed varied to a great extent from one State to another. While the number of loanees as well as the loan amount sanctioned was significantly high in States such as Tamil Nadu, Andhra Pradesh and Telangana, it was very meagre in States like Punjab, Rajasthan, West Bengal. The Committee, therefore, urged upon the Ministry to ascertain the reasons for this variation and desired the Ministry to make concerted efforts to create awareness about this Scheme in the rural and semi-rural parts of the Country where these handloom clusters are located by involving local village heads and self help groups. The Committee appreciated the efforts of the Ministry for proposing to run a special drive for MUDRA Loans and desired that the special drive in coordination with State Level Bankers' Committee (SLBC) and District Level Bankers' Committee (DLBC) be carried out without any delay.

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

“An amount of Rs.8.00 crore was sanctioned during the FY 2022-2023 under Concessional Credit/Weaver MUDRA Scheme, a component of National Handloom Development Programme (NHDP).

As far as variation of loan amounts sanctioned to beneficiaries from one State to another is concerned, it is due to the Scheme being voluntary. Beneficiaries are required to approach participating banks concerned for availing the MUDRA loan along-with required documents as per banking norms. On receipt of viable application, banks are sanctioning loan to handloom beneficiaries. Due to inaction on the part of bank/ lack of awareness about the scheme at the branch level, weavers are not coming forward for getting MUDRA loan.

However, this office has written letters to all banks to take the following steps expeditiously, to extend the scheme benefits to higher number of handloom beneficiaries across the country: -

- Bank branches should be sensitized about the scheme and asked to register on the portal.

- Once bank branches are registered on the portal, they should ensure to lodge the claims in respect of margin money assistance, interest subsidy and credit guarantee fee through the portal.
- Timely sanction/disbursement of loan to the handloom weavers.
- Make aware the participating banks to sanction fresh loan to the handloom weavers, who availed the loan in past and have re-paid.

In addition, this office is regularly approaching to States/UTs Govt. to conduct awareness camps/chaupals with close coordination with field offices of this office i.e. Weaver Service Centres to create awareness amongst the weavers and sensitize the scheme benefits across the country.”

16. The Committee are concerned to note that owing to inaction on the part of Banks and lack of awareness about the “Concessional Credit/Wavers’ Mudra Loan Scheme”, weavers are not coming forward to avail MUDRA loans. Although the Ministry has taken up the matter with the Banks, the Committee desire the Ministry to also approach the Ministry of Finance (Department of Financial Services) for issuing appropriate instructions to the Banks sensitizing them about various provisions of the Scheme. The Committee also impress upon the Ministry to closely monitor the performance of the States/UTs through timely and regular interventions and ensure regular conduct of awareness campaigns/chaupals in the rural and semi-rural parts of the Country where handloom clusters are located and thereby contribute towards increased awareness amongst the weavers.

17. The reply of the Ministry is silent on the issue of carrying out special drive for MUDRA Loans in coordination with State Level Bankers' Committee (SLBC) and District Level Bankers' Committee (DLBC). This is despite the fact that an assurance to this effect was given by the representative of the Ministry while deposing before the Committee on 20.02.2023 at the time of examination of Demands for Grants of the Ministry. The Committee desire that urgent action be taken by the Ministry in this regard.

IV. DEVELOPMENT OF SILK INDUSTRY IN NORTH-EASTERN REGION

(Recommendation Para No. 15)

18. In their earlier Report, the Committee noted that special focus had been given for development of sericulture in the North-Eastern Region. As informed by the Ministry, new sericulture projects are sanctioned in the North East with necessary budgetary provision. For development of silk industries in North-Eastern Region, the actual expenditure incurred in 2020-21 was Rs. 54.25 crore as compared to RE of Rs. 50.75 crore and BE of Rs. 63 crore; Rs. 61.54 crore vis-à-vis RE amount of Rs. 68.12 crore in 2021-22 and Rs. 37.68 crore (as on 19.01.2023) as compared to RE amount of Rs. 75.36 crore in 2022-23. As per the Ministry's submission, Rs. 20 crore of the BE amount of Rs. 67.99 crore for 2023-24 was intended for 'beneficiary oriented support component'. The Committee noted in this regard that in addition to the 38 projects for sericulture production that are continuing in the Region in 2022-23, and spill over of the projects from 2021-22, additional projects were in the pipeline for sanction for the North East in 2023-24. Further, for 2023-24, production target of 8,502 MT silk had been fixed for the North East. The Committee, therefore, desired that appropriate interventions be made for effective implementation of the schemes for promoting silk industry in the Region and achieving the targets set; and ensure that inadequacy of funds did not become a constraint in ensuring effective implementation of the scheme/projects in the Region.

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

“Adequate project proposals suiting the local requirements of NE States for sericulture development have been approved under Silk Samagra-2. Tentative fund requirement for these newly sanctioned projects in 2023-24 is pegged at Rs.70.27 crores. Besides, additional funds for the spillover activities of projects under NERTPS, essentially for Eri Spun Silk Mills and large projects proposed by Assam, BTC and Manipur is estimated at Rs. 120 cr. Subject to availability of funds, a total investment of around Rs.200 cr would be possible in NE states during 2023-24, for beneficiary oriented projects covering the entire 8 NE States and Autonomous Councils as well. Ministry of Textiles on 20.03.2023 has referred CSB's proposal to MoDONER, for consideration of releasing additional fund amounting to Rs.116.14 crore to CSB(from 10% GBS of other Ministries to be re-appropriated by DoNER), beyond the Silk Samagra-2 budgetary allocation for 2022-23.”

20. The Committee note that a total investment of around Rs.200 crore would be possible in NE States during 2023-24 for beneficiary oriented projects covering the entire 8 NE States and Autonomous Councils as

well. The Committee impress upon the Ministry to take up the matter with the Ministry of Finance with a sense of urgency and commitment so that additional funds could be made available at the stage of Supplementary Grants. The Committee further desire that the matter regarding release of additional funds of Rs.116.14 crore to Central Silk Board (CSB) from 10% Gross Budgetary Support (GBS) of other Ministries be pursued with the Ministry of Development of North Eastern Region at the highest level so that the initiative taken by the Ministry/CSB to promote silk industry in NE region is drawn to its logical conclusion through timely completion of various ongoing/newly sanctioned projects during 2023-24.

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

(Recommendation Para No. 17)

21. In their earlier Report, the Committee noted the PM-MITRA Scheme, announced in 2021-22 envisages in helping the country in achieving the United Nations Sustainable Development Goal 9 (Build resilient infrastructure, promote sustainable industrialization and foster innovation). To this end, the scheme aims to develop integrated large scale and modern industrial infrastructure facility for entire value-chain of the textile industry. No expenditure was booked under the scheme in the Financial Years 2021-22 and 2022-23. For 2023-24, an amount of Rs. 200 crore had been allocated for the scheme. The Government had approved setting up 7 PM-MITRA Parks in partnership with the willing State Governments for which an outlay of Rs. 4,445 crore was proposed. The Committee were apprised that 18 proposals for setting up PM MITRA Parks had been received from 13 State Governments and the process of finalisation of the sites for setting up the parks was in an advanced stage. The Committee were also apprised that the Government was in the process of doing 'due diligence' in regard to the proposals received from the State Governments and the process would be completed speedily. In view of the laudable objectives with which the scheme had been proposed, whereby the competitiveness of Indian textiles would be improved, logistic costs reduced, investment on large scale attracted, employment generated and the country facilitated in strongly positioning itself in the global textile market, the Committee once again urged upon the Ministry to diligently undertake the measures needed so that the scheme fructifies at an early date and the Mega Parks are set up.

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

“MITRA Parks are being set up on the basis of proposals of state governments having ready availability of contiguous and encumbrance-free land parcel of 1000+ acres. The sites were selected by adopting a Challenge Method by including other key criteria of good connectivity to the nearest Port / Dedicated Freight Corridor / Industrial Corridor/Textiles Cluster, Reliable Power Supply and Water availability and Waste Water Disposal system; Willingness for relaxation in labour laws as per new Labour Code; Effective single window clearance, etc. A conducive and stable industrial/textile policy by State will also be a parameter for selection.State Government were requested to provide parameter wise details.

Based on the information provided by the State, Project Approval Committee has taken a meeting on 07.03.2023 and discussed all the projects. The PAC has finalized 7 sites viz. Tamil Nadu (Virudhnagar), Telangana (Warangal), Gujarat (Navsari), Karnataka (Kalaburagi), Madhya Pradesh (Dhar), Uttar Pradesh (Lucknow) and Maharashtra (Amravati) for setting up PM MITRA Parks.”

23. The Committee are happy to note that Project Approval Committee has finalised 7 sites viz. Tamil Nadu (Virudhnagar), Telangana (Warangal), Gujarat (Navsari), Karnataka (Kalaburagi), Madhya Pradesh (Dhar), Uttar Pradesh (Lucknow) and Maharashtra (Amravati) for setting up PM Mitra Parks. The Committee urge the Ministry to maintain the momentum for setting up and making functional all 7 PM Mitra Parks in a time bound manner and thereby help in achieving the objectives that include *inter-alia* employment generation, investment infusion and product diversification.

VI. NATIONAL TEXTILE CORPORATION (NTC)

(Recommendation Para No. 24)

24. The Committee had, in their 31st Report on Demands for Grants (2022-23) of the Ministry *inter-alia* noted the fact that an amount of Rs. 1646.07 crore had been invested for the purpose of modernization of 23 existing mills under revival scheme for NTC. Further, the Committee had also taken note of the fact that the Department of Public Enterprises (DPE) under Ministry of Finance formed a Sub-Committee comprising of Secretary, DPE; Secretary, Ministry of Textiles and an expert from NITI Aayog for assessing the feasibility of disinvestment of NTC mills. As informed by the Ministry, the guidelines pertaining to the policy on Public Sector Enterprises (PSE) *inter-alia* propose discontinuation of operation of CPSEs in non-strategic areas, and the matter,

including the recommendations of the Sub-Committee are to be considered and decided upon by the Cabinet Committee on Economic Affairs. In their Forty-Second Report, the Committee also noted in this regard that the 23 mills, for revival of which a substantial amount was invested are no longer functional and had incurred a loss of about Rs. 210.18 crore in 2020-21 and the net loss incurred by NTC mills as a whole during the year, 2020-21, add up to Rs. 329.32 crore. The Committee desired, in this regard, that issues concerning viability of the NTC mills be considered holistically keeping in view *inter-alia* the interest of the large work force of the NTC mills. Continued support of the Government for the livelihood of the work force of the mills by way of payment of pensionary benefits, salary dues, etc. will be a necessity. The Committee also highlighted the fact that as per the submission of the Ministry, the net worth of NTC is Rs. 920.10 crore and the corporation has a land bank of around 3661.20 acres. The Committee wished to be apprised of the measures taken towards addressing issues pertaining to operation of NTC mills.

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

“The following action has been taken. The details are as under:-

(i) In accordance with the Board for Industrial and Financial Reconstruction (BIFR) approval for revival scheme of National Textile Corporation Ltd. (NTC), till date Rs.1646.07 Crore has been invested in modernizing 23 existing Mills with different levels of modernizations. Despite such investment NTC continues to remain unviable entity. The cash profit projected as per the scheme was in the range of Rs.300 crore per year, however, the company has sustained cash loss continuously from 2014-15 onwards, which increased from (-) Rs. 80.64 crore in 2015-16 to (-) Rs. 210.18 crore in the year 2020-21.

(ii) An analysis of the cost parameters, actually incurred by NTC during subsequent years vis-à-vis the BIFR projected parameters shows that, whereas the cost of raw materials as a percentage of turnover has remained nearby the BIFR projections, there have been large variations in respect of other cost parameters eg. Power, wages. Subsequently higher inputs costs, over that projected in BIFR Revival plan had resulted in the Company never been able to achieve operating profit even after substantial amount of investments during the past 10 years. While the production cost had substantially increased in actual practice, over that of BIFR projection, the sale price of the products of NTC have not increased substantially in the market. This has led to continuous increase in losses. The average cost of production of yarn over last 3 years has substantially increased mainly due to high labour cost and high power cost in metro city like Mumbai & Kolkata, whereas average sale price of yarn in the market is much less. Similarly, the average cost price of cloth is higher against the sale price. The sales realisation as a percentage of cost price in NTC product is, thus 73-78 %, indicating a loss of Rs. 25 per every Rs.100 spent for production. This is not a viable commercial operational parameter for any business ventures, which has completely eroded the cash reserves of the company.

(iii) In view of the above facts, matter is with Department of Public Enterprises (DPE) as per its new guidelines dated 13.12.2021 for implementation of New Public Sector Enterprises (PSE) policy for CPSEs in Non-Strategic Sector. The DPE has constituted a Committee of Group of Officers (CGO) under the Chairmanship of CEO, NITI Aayog for identification of CPSEs falling under non-strategic sector on privatization or closure.

(iv) In regard to NTC, the CGO in its meeting dated 27.01.2022 recommended that a sub-committee comprising of Secretary, Department of Public Enterprises, Secretary, Ministry of Textiles and Sh. Ajit Pai, distinguished Expert, NITI Aayog shall first analyse the feasibility of disinvestment of 12 mills recommended by Ministry of Textiles, taking into consideration their location, availability of land and other assets and submit a report to CGO. Based on the report of the said sub-committee, the CGO will take a view on the closure or disinvestment of 12 mills of NTC Ltd.

(v) The Sub-Committee made the following recommendation - NBCC has done evaluation of all assets of NTC recently. The Committee while examining the feasibility of disinvestment used market value of land as derived by NBCC for examining economic viability of the enterprise post disinvestment. It was felt that even with a double-digit operating margin on five year peak revenue performance in past, the so called viable mills will not be able to return even cost of capital. In this situation these mills may not find any buyer at reserve price. It was also felt that efforts to revive other mills in Joint Venture (JV) format by the Ministry have also failed in past. In light of above, the Committee is of the opinion that there is no advantage in trying for disinvestment of 12 mills once again. Accordingly, the Committee recommends that, it is prudent to close of all the 23 NTC mills.

(vi) Report of the sub-committee has been forwarded to Department of Public Enterprises for placing before the CGO for its consideration.

(vii) The Committee of Group of Officers (CGO) in its meeting dated 4.4.2022 recommended that after detailed deliberations and based on inputs received from Ministry of Textiles, CGO accepted the recommendations of the Sub-Committee regarding closure of NTC Ltd. along-with its 23 mills.

(viii) In light of continued poor economic viability of NTC mills, Ministry of Textiles is preparing an action plan for way forward in this matter in consultation with NITI Aayog and Department of Public Enterprises under Ministry of Finance.”

26. The Committee trust that in preparing the action plan in regard to NTC mills pursuant to the recommendations of the Committee of Group of Officers (CGO), as recommended in their earlier report, the interests of the large work force of the mills with regard to their livelihood along with other related aspects are given appropriate consideration. Aspects pertaining to salary dues, pensionary benefits etc. of the workforce of the

mills need to be adequately addressed in the action plan which is being formulated by the Ministry of Textiles in consultation with NITI Aayog, Department of Public Enterprises and the Ministry of Finance.

**New Delhi;
17 July, 2023
26 Ashadha, 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 THE FORTY-SECOND REPORT
(SEVENTEENTH LOK SABHA) OF THE STANDING COMMITTEE ON LABOUR,
TEXTILES AND SKILL DEVELOPMENT**

		Total	Percentage
I.	Total number of Recommendations	25	
II.	Recommendations/Observations which have been accepted by the Government – Rec. Para Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 23, 24 and 25	23	92.00%
III.	Recommendations/Observations which the Committee do not desire to pursue in view of the Government’s reply – Nil	00	00%
IV	Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration – Nil	00	00%
V	Recommendations/Observations in respect of which replies of the Government are interim in nature - Rec. Para Nos. 21 and 22	02	8.00%
			100%