

## **Failure to implement Scheme objectives on disbursement of Capital Subsidy**

[Action Taken by the Government on the Observations and Recommendations of the Committee contained in their 39<sup>th</sup> Report (17<sup>th</sup> Lok Sabha)]

### **Ministry of Textiles**

**PUBLIC ACCOUNTS COMMITTEE  
(2023-24)**

**ONE HUNDRED AND THIRTY FIRST REPORT**

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**SEVENTEENTH LOK SABHA**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**ONE HUNDRED AND THIRTY FIRST  
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(2023-24)**

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Subsidy**

**Ministry of Textiles**

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*Presented to Hon'ble Speaker Lok Sabha on 23.02.2024*

*Presented to Lok Sabha on: .....*

*Laid in Rajya Sabha on: .....*

**LOK SABHA SECRETARIAT  
NEW DELHI**

February 2024/ Phalgun 1945 (Saka)

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\* not appended to cyclostyled copy of the report

**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE**  
**(2023-24)**

**Shri Adhir Ranjan Chowdhury - Chairperson**

**MEMBERS**

**LOK SABHA**

2. Shri Subhash Chandra Baheria
3. Shri Thalikkottai Rajuthevar Baalu
4. Shri Bhartruhari Mahtab
5. Shri Jagdambika Pal
6. Shri Pratap Chandra Sarangi
7. Shri Vishnu Dayal Ram
8. Shri Rahul Ramesh Shewale
9. Shri Gowdar Mallikarjunappa Siddeshwara
10. Dr. Satya Pal Singh
11. Shri Brijendra Singh
12. Shri Rajiv Ranjan Singh alias Lalan Singh
13. Shri Jayant Sinha
14. Shri Balashowry Vallabhaneni
15. Shri Ram Kripal Yadav

**RAJYA SABHA**

16. Shri Shaktisinh Gohil
17. Dr. K Laxman
18. Shri Derek O'Brien\*
19. Shri Tiruchi Siva
20. Dr. M. Thambidurai
21. Shri Ghanshyam Tiwari
22. Dr. Sudhanshu Trivedi

**SECRETARIAT**

1. Shri Sanjeev Sharma - Joint Secretary
2. Smt. Bharti S. Tuteja - Director
3. Shri Pankaj Kumar Sharma - Deputy Secretary

\* Elected w.e.f. 19.08.2023 consequent upon retirement of Shri Sukhendu Sekhar Ray, MP on 18.08.2023.

## **INTRODUCTION**

I, the Chairperson, Public Accounts Committee (2023-24) having been authorised by the Committee, do present this 131<sup>st</sup> Report (Seventeenth Lok Sabha) on Action Taken by the Government on the Observations/Recommendations of the Public Accounts Committee contained in their 39<sup>th</sup> Report (Seventeenth Lok Sabha) on “Failure to implement Scheme objectives on disbursement of Capital Subsidy”.

2. The Thirty-ninth Report was presented to Lok Sabha/laid in Rajya Sabha on 8<sup>th</sup> August, 2021 and 11<sup>th</sup> August 2021. Replies of the Government to all the Observations/Recommendations contained in the Report were received. The Public Accounts Committee considered and adopted the draft Report at their Sitting held on 6<sup>th</sup> February, 2024. Minutes of the Sitting are given at Appendix I.

3. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in bold in the body of the Report.

4. The Committee also place on record their appreciation of the assistance rendered to them in the matter by the Committee Secretariat and the Office of the Comptroller and Auditor General of India.

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

**NEW DELHI**

**6 February, 2024**  
**17 Magha, 1945 (Saka)**

**ADHIR RANJAN CHOWDHUR**

**Chairperson,**  
**Public Accounts Committee**

**CHAPTER - I****REPORT**

This Report of the Public Accounts Committee deals with the action taken by the Government on the Observations/Recommendations of the Committee contained in their Thirty Ninth Report (17<sup>th</sup> Lok Sabha) on "**Failure to implement Scheme Objectives on Disbursement of Capital Subsidy**" based on Chapter XX of C&AG Report No. 12 of 2017 relating to the Ministry of Textiles.

2. The Thirty-ninth Report was presented to Lok Sabha on 8<sup>th</sup> December, 2021 and laid in Rajya Sabha on 11<sup>th</sup> August, 2021. The Report contained twenty two Observations/Recommendations. Action Taken Notes all the Observations/Recommendations have been received from the Ministry of Textiles and are categorized as under:

i. Observations/Recommendations which have been accepted by the Government:

**Para Nos. 1, 2, 3, 4, 18, 19, 20 and 21**

**Total: 08  
Chapter – II**

ii. Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government:

**Para Nos. 10, 11, 12, 14, 15 and 17**

**Total: 06  
Chapter – III**

iii. Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:

**Para Nos. 5, 7, 8, 9, 16 and 22**

**Total: 06  
Chapter – IV**

iv. Observations/Recommendations in respect of which Government have furnished interim replies/no replies:

**Para No. 6, 13****Total: 02  
Chapter -V**

3. The Action Taken Notes furnished by the Ministry of Textiles on the Observations/Recommendations of the Committee contained in their Thirty-ninth Report (Seventeenth Lok Sabha) have been reproduced in the relevant chapters of this Report. In the succeeding paragraphs, the Committee have dealt with the Action Taken by the Government on some of their Observations/Recommendations which either need reiteration or merit comments.
4. The Committee desire the Ministry of Textiles to furnish Action Taken Notes in respect of Observations/Recommendations contained in Chapter I within six months of the presentation of the Report to the Parliament.

**Legal Action against Jute Mills****(Recommendation No. 5)**

5. The Committee had noted that following the audit observations, NJB/Ministry of Textiles had taken legal action against the Jute Mills for recovering the subsidy amount wrongfully drawn under the "Acquisition of Plant and Machinery (Capital Subsidy)" under the Jute Technology Mission (JTM) Mini-Mission-IV. Some of the Jute mills had refunded the amount. The National Jute Board had also filed 18 money suits against the other mills as per the directive of the Public Accounts Committee. Regarding the time frame for recovery of ` 27939847/- involved, the Committee were informed that Court proceedings have been delayed due to the pandemic and these would be taken up after normalcy returns. The Committee had recommended to be apprised of the outcome of the money suits filed. The Committee was also informed that Joint Inspection Teams (JIT) had been constituted for undertaking physical verification and inspection of all 124 jute mills which received subsidy. The Committee had recommended to know the details of the final report of the Joint Inspection Teams. The Committee recommend that all the involved in the irregularities related to

capital subsidy be blacklisted from availing any benefit under any scheme of the Government in future.

**6. The Ministry of Textiles in their action taken reply stated as under:-**

**Case-wise status of money suits is given below :**

<b>Sl. No</b>	<b>Name of the Party</b>	<b>Money Suit Value/(Rs)</b>	<b>Present Status</b>
1.	Murlidhar Ratanlal Export Ltd. (Unit : Barshul Jute Mill)	15,08,029	Total Money suit value was Rs 21,74,000. On payment/recovery of Rs 6,65,971, the money suit value has been revised to Rs 15,08,029.
2.	Uma Spinners Private Limited	2,80,000	No recovery
3.	Nilkantha Jute Processing Pvt. Ltd.	57,56,000	No recovery
4.	MurlidharRatanlal Export Ltd. (Unit : Hastings Jute Mill)	13,54,000	No recovery
5.	MurlidharRatanlal Export Ltd. (Unit : India Jute Mill)	7,32,000	No recovery
6.	Mr. Ashok Chowdhury, M/s. Saroda Textiles	12,93,000	Total Money suit value was Rs12,96,000. On payment/recovery of Rs. 3,000 the money suit value has been revised to Rs 12,93,000.
7.	Sunbeam Vanijay Pvt. Ltd.	3,93,000	No recovery
8.	Baranagore Jute Factory Plc	5,50,000	No recovery
9.	MFL Corporation Ltd. (Usha Corporation)	18,85,847	Total Money suit value was Rs 97,25,847. On payment/recovery of Rs 78,40,000, the money suit value has been revised to Rs 18,85,847.
10.	Parvati Industries	18,77,000	No recovery
11.	H.R. International	12,90,541	No recovery
<b>Total</b>		<b>1,69,19,417</b>	

**Status of cases lying with CBI:**



Initially, three cases as indicated below had been taken up *suo-moto* by the CBI. The progresses in the cases as reported by CBI-ACB, Kolkata vide their letter no. 2626/RC 010 2017 A0036/CBI/ACB-Kol dated 24.08.2020, is as hereunder:

Case No.	Name of the Party	Status of the case
RC 0102018A0002	M/s MFL Corporation Ltd.	An amount of Rs. 78,40,310/- has been recovered from the mill and Money suit filed against it. Further, action has been taken against the involved officials in the case. Prosecution sanction against Shri N. Sengupta was accorded by Secretary, NJB to CBI. Denial of sanction against Shri Goutam Chattopadhyay official of IJIRA by IJIRA is under legal scrutiny.
RC 0102018A0036	M/s The Ganges Manufacturing Co. Ltd.	The case has been added in closure, recommending RDA minor. The closure Report has also been accepted by LD Court 17.03.2021
RC 0102018A0003	M/s Hastings Jute Mill	The case has been added in closure, recommending such action as deemed fit. The closure Report has also been accepted by LD Court on 28.01.2021

CBI-ACB has disposed off the case against M/s The Ganges Manufacturing Co. Ltd. stating that the case is disposed as FR(T) as sufficient evidence was not found against the accused persons. However, CBI-ACB has recommended blacklisting the company from availing benefit under NJB Schemes. As per the direction of CBI-ACB, an Internal Note NJB/PAC/CAG/2020 dated 20.10.2020 has been issued to strictly ensure compliance of the direction for blacklisting M/s The Ganges Manufacturing Co. Ltd. from getting any subsidy from NJB in future. Letters have also been sent to the Office of the Jute Commissioner and Jute Corporation of India vide office communication no. NJB/JTM/CBI-ACB/2020 dated 13.10.2020 with a request of implementing the directives of CBI-ACB.

NJB vide its letter no. NJB/PAC/ACB-Kol/2020 dated 25.08.2020 have forwarded the balance 12 cases for taking up for investigation by CBI-ACB, Kolkata

1. Ambica Jute Mills Ltd.
2. Saroda Textiles

3. Alliance Mills (Lessee) Ltd.
4. Ganges Jute Pvt. Ltd.
5. Baranagar Jute Factory
6. Kamarhatty Co. Ltd.
7. MREL (Unit) India Jute Mill
8. Bally Jute Co. Ltd.
9. MREL (Unit) Barshul Tex
10. Nilkantha Jute Processing Pvt. Ltd.
11. Sunbeam Vanijya Pvt. Ltd.
12. UMA Spinners Pvt. Ltd.

CVO, NJB has been interacting regularly with the concerned CBI officials, DIG, CBI and HoB who is heading the organization in Kolkata. Regular follow up meetings are being done to garner progress in these cases.

Details of the Final report of the Joint Inspection are as below:-

<b>S. No.</b>	<b>Description</b>	<b>No. of Mills/Units</b>	<b>Nos. of Claims</b>	<b>Remarks</b>
1	Total Number of Jute Mills/Units availed subsidy	124	429	JTM (6.4) during 2007-2013
2	<u>Before PAC</u> Total number of Jute Mills/units jointly inspected by the officials of NJB, CAG, O/o JC & others	21	81	Irregularities are found in 26% claims i.e. 21 claims (15 units) out of total 81 claims inspected. An amount of ` 4.50 Cr. including interest has been recovered out of ` 3.76 Cr. (Principal Amount) and money suits filed against all the disputed cases.
3	<u>After PAC</u> Total number of Jute Mills/Units inspected by NJB officials in the past and the Joint	103	348	Irregularities found in 4 claims [before PAC meeting] out of total 348 claims inspected. Further, after PAC, recovery against 2 claims is

	Inspection Team (JIT) till date			completed. An amount of `1.71 crores has been recovered. Balance recovery against 2 claims is in process. Money suits have been filed..
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7. The Committee had *inter-alia* recommended to be apprised of the outcome of money suits filed against Mills/Mill owners. The Committee were informed by the Ministry that money suits amounting to ` 2,79,39,847 in respect of 18 (Eighteen) defaulting units have been filed. However, in their Action taken Notes Ministry has furnished case wise status of money suits which give details of only (11) Mills instead of 18 defaulting units, no recovery have been made against Mills at Sl. No. 2,3,4,5,7,8,10 and 11. The Committee would like to be apprised of the reasons as to why money suits have been filed only against 11 mills and why no recovery has been made from Mills mentioned above. The Committee had also recommended that all the Jute Mills/Units and their director/promoters who have been found to be involved in irregularities relating to capital subsidy be blacklisted from availing any benefit under any scheme of the government in future. The reply of the Ministry in their Action taken note is totally silent in this regard. The Committee express its displeasure for furnishing reply in a casual manner, and reiterate its recommendation for blacklisting all the defaulting Mills from availing any benefit, under any scheme of the government in future.

## **Restructuring Jute Sector related organisations**

### **(Recommendation Nos. 7)**

8. The Committee noted that, National Jute Board (NJB) was constituted vide National Jute Board Act, 2008 (12 of 2009) which became effective from 1<sup>st</sup> April 2010, after merger of erstwhile Jute Manufacture Development Council and National Centre for Jute Diversification. The Committee noted that NJB had been implementing the scheme for modernization of Jute Industry for more than a decade. The Committee were distressed to see that NJB has not been successful in achieving its objectives. The Jute Industry as a whole is suffering from many problems, and the desired results are not being yielded. The Committee felt that this is mainly owing to the fact that NJB itself is beset with many problems, as well as issues such as shortage of staff, particularly technical staff, lack of accountability, ad-hocism, administrative inefficiency, lack of internal control and monitoring and out-sourcing of crucial posts. The Committee, therefore recommend that a review of the organization structure and functioning of NJB be conducted to streamline the functioning of NJB, so that it fulfills its intended role in spearheading the expansion, growth and revival of jute industry. The Committee were of the view that the Ministry must look into policy loopholes that have come to notice over the last decade, and as indicated in the on-going inspection / audit reports. The Committee also laid emphasis on the role and quality of human resources that plays a vital role in the success of any policy and of the organization. The Committee recommended that the NJB should induct, at every level, professionals with requisite experience and qualifications rather than requisition manpower from SIDBI and appoint personal with questionable credentials and without proven integrity by way of outsourcing.

### **9. The Ministry of Textiles in their action taken reply stated as under:-**

“The matter of organizational restructuring of NJB and other organizations of MoT is under consideration and the last meeting in this regard was held on 8<sup>th</sup> March, 2022.

In the 25<sup>th</sup> Board Meeting of NJB held on 7<sup>th</sup> February, 2022, meantime it has been decided to strengthen the NJB Head Office at Kolkata and its Regional Office at New Delhi by merging the Regional Offices at Chennai and Hyderabad. Suitable action has been initiated in this regard. Further, modalities are being worked out to implement the recommendations of the Committee.”

**(Recommendation No. 8)**

10. The Committee found that various organizations/authorities/bodies/institutions like National Jute Board (NJB), Jute Corporation of India (JCI), Office of Jute Commissioner, Indian Jute Industries Research Association (IJIRA), Centre for Jute Machinery Development (CJMD) etc. are operating in the Jute Sector. The roles and functions of these entries overlap and also conflict with each other. The role of some organizations had not been satisfactory, and there are also issues of shortage of personnel, budget, etc. Some of these institutions are structured to adapt to the changing scenario and are not responsive to the evolving demands. Accordingly, the Committee recommended the Ministry to take necessary measures to evaluate the relevance of these institutions and realign and reorient their role so as to be in consonance with the present requirements.

**11. The Ministry of Textiles in their action taken reply stated as under:-**

“Various Jute Organisations viz National Jute Board (NJB), Jute Corporation of India (JCI), Office of the Jute Commissioner, Indian Jute Industries Research Association are working for development of jute sector. The mandates / functions of these Jute Organisations are given below: -

Sl.No	Organisations	Main Activity
(i)	National Jute Board	NJB has been established under NJB Act, 2008 (No 12 of 2009), subsuming too erstwhile organizations viz Jute Manufactures Development Council (JMDC) and National

		Centre for Jute Diversification. The enactment aims at development of the cultivation, manufacture and marketing of jute and jute products and for matters connected therewith and incidental thereto.
(ii)	Jute Corporation of India	To ensure Minimum Support Price to the jute growers and to act as raw jute price stabilizing agency.
(iii)	O/o the Jute Commissioner, Ministry of Textiles, Govt of India	To advice Government and the Jute Industry on all matters relating to the development of the jute industry and to implement the Government Policy.
(iii)	Indian Jute Industries Research Association (IJIRA)	Engaged in fundamental and applied research on jute and its product. At present, IJIRA is an "Approved Body" of MoT in terms of Gazette Notification dated 06.08.2020
(iv)	Centre for Jute Machinery Development (CJMD)	The CJMD was set up as an independent legal entity through PPP Mode for development of new technology and high productive machinery in the jute sector.

It may be seen above, the various jute organizations have their different area of activities for development and promotion of jute sector."

**12. The Committee with a view to revamp the jute sector had recommended to review the role and functions including organisational structure, staffing, finance etc. of all existing organisations/institutions associated with Jute sector. The Committee note with satisfaction that the matter of organisational restructuring of National Jute Board and other organisations of Ministry of Textiles is under consideration and meetings in this regard have been held. The Committee advise the Ministry to get a review study done of each and every organisation working in Jute Sector by an expert agency/consultant with clear mandate to develop Jute Sector in a decentralised manner with active**

participation of all stake holders where Government play the role of just a facilitator.

The Committee express its dissatisfaction with reply of the Ministry, they have merely referred to the Activities/roles of the organisation like National Jute Board, Jute Corporation of India, Office of Jute Commissioner, Indian Jute industries research Association (IJIRA) and Centre for Jute machinery Development (CJMD), The Committee had recommended to evaluate the relevance of these institutions and realign and reorient their role so as to be in consonance with the present requirements. The Committee reiterate its earlier recommendations in this regard and strongly recommend to undertake a review of relevance/functions of these organisations by an expert agency and take necessary steps, if required, to abolish, amalgamate, merge these organisations, to make them conducive and responsive to development of jute industry in country.

13. The Committee with a view to develop the Jute Industry on modern lines and revamp the entire Jute Sector had recommended to place the India's Jute Development Programme in the hands of Jute growers, entrepreneurs and other professionals in an organised cooperative frame work wherein, inputs, seed banks, plants, manufacturing units/mills, marketing network are owned, maintained and controlled by Societies/Associations and stake holder. The Committee had recommended the Ministry to take initiative in developing a decentralised cooperative model with the active involvement and participation of different groups of farmers, entrepreneurs and industry etc.

The Committee find that at present the Jute Sector is dominated by composite Jute Mills, which are 98 in number. The Government of India owns 6 mills, the

Government of Tripura and Orissa own 1 mill each, 1 mill in Assam is operating in the co-operative sector, and the rest 89 are in private hands. A significant number of mills are considered inefficient, use obsolete technology and are purportedly also involved in manipulating, use obsolete technology and are purportedly also involved in manipulating the subsidy system for reaping benefits fraudulently. On the other end the spectrum, jute growers/farmers also face many problems. They do not get remunerative price for their produce. Sometimes there is no demand for raw jute in the market, and they face problems associated with price fluctuation, non-availability of inputs, lack of training, etc. similarly, entrepreneurs and small units engaged in production of jute products do not get quality raw material readily. There is a need to place India's jute development programmers in the hands of jute growers, entrepreneurs and other professionals in an organized co-operative framework, wherein inputs, seed banks, retting plants, manufacturing units/mills, marketing network, etc. are maintained and controlled by the Jute farmers/producers at the village level. The Committee are of the strong view that the Ministry should take the initiative in developing decentralized cooperative model with the active involvement of voluntary groups which have been successfully operating in the area such as the Bharat SevaSangh so that the farmers and the marginal workers can earn their livelihood without facing the uncertainty of market forces.

**14. The Ministry of Textiles in their action taken reply stated as under:-**

“NJB in association with Jute Corporation of India (JCI), ICAR-CRIJAF & ICAR-NINFET has been implementing Jute-ICARE (Improved Cultivation and Advanced Retting Exercise) project to facilitate the Jute farmers with modern agronomic practices. Under the programme the following implements are provided to the registered farmers:

- I. Certified High Yield variety seeds at 50% subsidized rate.
- II. Seed Drill, Nail Weeder and Cycle Weeder machines at free of cost.
- III. Retting accelerators viz. CRIJAF-SONA & NINFET-SATHI are being supplied free of cost.
- IV. Excavation of In-situ retting ponds in convergence with MGNREGA, RKVY and PMKSY Schemes.



- V. The seeds and other implements under Jute-ICARE are distributed by the field offices of JCI by involving the local cooperatives, farmers club / FPOs, including Bharat SevaSangh etc.”

**15. The Committee are disappointed at the Perfunctory manner and callous disregard with which the Ministry have furnished Action Taken replies on such an important observation/recommendations of the Committee, which was meant to shape and guide the India’s Jute Industry in future. The Ministry have merely informed and mentioned the Name and salient features of Jute-I CARE (Improved Cultivation and Advanced retting exercise), an scheme which was launched back in year 2015.**

**The Committee, with a view, not just to save the moribund Jute Industry but make it vibrant, robust and self sustaining, urge and enjoin the Ministry to transform the entire existing setup of the Industry dominated by institutions/organisations under control of Government and few Jute Mills. The Committee are of firm opinion that jute industry should be develop in a decentralised manner, comprising of cooperatives, SHG, Multi Stakeholders Cooperatives, start-ups, farmer groups etc. all working in tandem and in a collaborative approach . The Committee would like to be apprised of the Action Taken by the Ministry within six months of the presentation of the Report.**

**Revitalising the Jute Sector – Operation Golden Fibre”**

**16. The Committee had noted that, the Jute Industry occupies an important place in the national economy more significant in achieving environment friendly goals. Termed as the ‘Golden Fiber’, Jute meets all the standards required for ‘safe’**

packaging. Being a natural, renewable, biodegradable and eco-friendly product, demand for jute will only increase in future, especially as an alternative to plastics/synthetic materials. The Committee, in this regard, noted that the jute industry provides direct employment to about 0.37 million workers in the organized mills and in diversified units including the tertiary sector and allied activities, and supports the livelihood of several lakhs of farm families. The total turnover of jute industry is around 10000 crore, with approximately 40 lakh farmers engaged in Jute farming and the country contributing about 70 percent of the World's jute production and products. The key to success and growth of the jute industry is modernization and diversification. Quality jute has to be produced, capacity has to be built, cultivators have to be incentivized and the demand for raw jute has to be met successfully. The Committee visualized and aspired for a robust jute sector in future with a diversified jute products, increased exports as well as domestic consumption of this environment friendly product. Shrinking land and jute production is matter of concerned for committee. The committee therefore advised the Ministry to take necessary steps with a futuristic perspective by bringing more land under production educate people through various means to adopt jute cultivation and promote the market for the products. The entire jute sector including the NJB need to be restructured to meet these goals. It is imperative on the part of the Ministry to draw a perspective plan for increasing the area under jute production, improving productivity and net profits in the hands of farmers, close the door for fly-by-night operators and diversified usage of jute products. The Committee therefore specifically recommended launching "Operation Golden Fiber" on lines similar to "Operation Flood". As already emphasized upon the Ministry needs to take action to involve local organizations, Cooperatives, NGOs, Self Help Groups, and Women's Organizations in various allied work in the sector so that the entities concerned are enabled in carrying out their operations in trouble free manner and the programme is successful. The Committee would await the details of action taken by the Ministry in the matter.

**17. The Ministry of Textiles in their action taken reply stated as under:-**

“The National Jute Development Program (NJDP) has been approved in the meeting of SFC of Ministry of Textiles, held on 20<sup>th</sup> May 2021. NJDP is an umbrella scheme for overall development and promotion of jute sector starting from Agriculture to finished products including Market Promotion of Jute and Jute Products. The total outlay of the Program is ` 485.58 crore for the period of 15<sup>th</sup> Finance Commission (2021-22 to 2025-26). The various schemes with objectives are given below: -

### **1. JUTE-ICARE (Improved Cultivation And Retting Exercise) Scheme**

With introduction of a package of modern and scientific agronomic practices, for quality and productivity improvement in Jute Cultivation. Land under Jute ICARE has to be covered during 05 years from 125000 lakh hectares to 270000 hectares.

#### **Jute Diversification Scheme (JDS)**

**(I) Capital Subsidy for Acquisition of Plant & Machinery (CSAPM) for Jute Diversified Products :** To Facilitate modernization / Upgradation of the existing Jute mills and MSME JDP Units, manufacturing Jute Diversified Products, incentive @ 30% on cost of the JDP machineries is provided.

**(II) Jute Resource Cum Production Centre (JRCPC) :** To spread jute diversification programme by providing trainings to new artisans, NGOs/ WSHGs for sustained employment in production of JDPs.

**(III) Jute Raw Material Bank (JRMB) :** To Supply jute raw materials to Jute Artisans, MSMEs JDP Producing units, and Beneficiaries of JRCPCs to manufacture Jute Diversified Products at Mill Gate Price

**(IV) Jute Retail Outlets (JRO) :** To facilitate existing and new Artisans / Entrepreneurs, for promotion & Sale of JDPs through Retail Outlets / Showroom.

**(V) Jute Design Resource Centre (JDRC):** Designing and development of Market worthy innovative Jute Diversified Products through NIFT/NID and helping existing and new JDP manufacturers and exporters.

**(VI) Production Linked Incentive (PLI) :** Jute Mills and MSME JDP units exporting JDPs to be supported with incentive @ 5% of the cost of jute raw material or 3% of export value and making them cost competitive in the international markets to help fetch export orders for JDPs.

**2. Market Development & Promotion Scheme (MDPS) :** To support the JDP units for promotion and sale of JDPs, in the Domestic market

and to registered jute exporters to boost export of jute goods. Development of Jute Mark Logo for certification of Quality Jute Diversified products and Launching Publicity campaign to popularise Jute as Eco-friendly products in Domestic and international market.

**(Recommendation No. 22)**

18. In the course of examining the Audit observations, it was evident that though the Officers of the Ministry were aware of problems facing the jute sector yet, no concrete action seems to have been initiated to address the problems. The committee expected that the recommendations made in the report are considered with due seriousness and implemented for addressing the issues ailing the sector. The Committee desired that the Action Taken Notes on the Audit observations are furnished to the satisfaction of the Audit and clear and unambiguous action taken replies furnished to the Committee in respect of each Recommendation/Observation made in this report.

**19. The Ministry of Textiles in their action taken reply stated as under:-**

“With a view to addressing the problems in jute agriculture, product development in Mill/MSME JDP sector, the National Jute Development Program (NJDP) – An umbrella scheme for development and promotion of jute sector is being implemented by National Jute Board during 15<sup>th</sup> Finance Commission Period (2021-2 to 2025-26) at total financial outlay of ` 485.58 crore. The program comprises following schemes for overall development of jute sector.

Jute ICARE (Improved Cultivation and Advanced Retting Exercise) – Introduction of modern and scientific agronomic practices in jute agriculture.

Jute Diversification –Modernization upgradation for manufacturing JDPs, providing trainings to new artisans / WSHGs for sustain employment, Jute Raw Material Bank, Jute Retail Outlet, Jute Design Resource Centre, Production Linked Incentive.

Market Development Promotion Schemes for Jute Products.

The recommendations and guidance of the Committee has been duly taken into consideration while framing scheme specific guidelines of NJDP.”

**20. The Committee taking into account the importance of Jute Sector from both economic and environmental point of view and in view of myriad problems being faced by Jute Sector, had recommended the Ministry to launch ‘operation Golden Fibre’ on lines similar to ‘Operation Flood’ in a mission mode. However, the Ministry in their Action Taken Notes has simply stated that a New National Jute Development Programme has been approved as an Umbrella Scheme consisting of Jute ICARE, Jute Diversification, Market Development Promotion Schemes, etc.**

**The Committee feel surprised rather perturbed to note that the ministry has not fathomed the significance and considered opinion of the Committee to revamp, revitalise rather resurrect the Jute Sector from present State of Stagnancy and decline. The Ministry has simply stated that a New Scheme christened rather rechristened as National Jute Development Programme has been approved as an umbrella Scheme, with a total outlay of ` 485.58 crore for the period of 15<sup>th</sup> Finance Commission i.e. 2021-22 to 2025 -26. The Committee vehemently oppose this kind of approach, this will not serve the purpose to develop the Jute Sector. This is just a cluster of programmes with a target just to spend ` 485.58 crores over a period of five years. The Committee feel apprehensive that the scheme and the fund provided under the proposed**

scheme will not yield the desired result unless structural changes are effected, the Committee feel that Jute Sector does not simply need an Umbrella Scheme, it requires an ecosystem to function and flourish, a paradigm shift in approach, fresh ideas, refreshed thinking. The Committee reminds the Ministry that there is tremendous opportunity in Jute Sector for job creation, growth, earnings for both raw jute farmers and entrepreneurs and in fact for all stakeholders especially in view of potential of jute products as a replacement for plastic products which have recently been banned in country, the Committee exhorts the Ministry to get up from deep slumber and recognise and realise that the Jute Industry is at cusp of change, and unless we take prompt corrective action, we will miss the golden opportunity for golden fibre. The Committee, therefore, reiterates its recommendation to draft a scheme with futuristic perspective to restructure the entire Jute Sector on a New footing, e.g. New Generation Cooperatives/Multi Stakeholder cooperatives, start-ups, whereby farmers/producers of raw Jute themselves process the raw commodity, as a result, farmers not only receive market prices for their produce, they also gain the opportunity to profit from processing and marketing these value added products. In this there is no requirement of providing funds for each programme, the Government just need to hand hold these types of cooperatives. The Committee would await the details of the Action taken by the Ministry on above lines within six months of presentation of the report.

**NEW DELHI**  
**6 February, 2024**  
**17 Magha, 1945 (Saka)**

**ADHIR RANJAN CHOWDHURY**  
**Chairperson,**  
**Public Accounts Committee**