14

STANDING COMMITTEE ON LABOUR
(2005-06)

FOURTEENTH LOK SABHA

MINISTRY OF TEXTILES

DEMANDS FOR GRANTS
(2006-2007)

FOURTEENTH REPORT

LOK SABHA SECRETARIAT
NEW DELHI

May 2006/Vaisakha 1928 (Saka)

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Presented to Lok Sabha on 17 May 2006

Laid in Rajya Sabha on 17 May 2006

LOK SABHA SECRETARIAT
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3.	Shri N.K. Pandey	-	Under Secretary
4.	Shri S.K. Saxena	-	Assistant Director
5.	Shri C. Kalyanasundram	-	Committee Officer

INTRODUCTION

I, the Chairman of the Standing Committee on Labour 2005-06 having been authorised by the Committee to submit the Report on their behalf, present this Fourteenth Report of the Ministry of Textiles on Demands for Grants, 2006-2007.

2. The Committee considered the Demands for Grants pertaining to the Ministry of Textiles for the year 2006-2007 which were laid on the Table of the House 17 March 2006. Thereafter, the Committee took evidence of the representatives of the Ministry of Textiles on 31 March 2006. The Committee considered and adopted the Report at their sitting held on 10 May 2006.

3. The Committee wish to express their thanks to the officers of the Ministry of Textiles for placing before them the detailed written notes on the subject and furnishing the information as desired by the Committee in connection with the examination of the Demands for Grants and tendering evidence before the Committee.

4. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in Annexure-II of the Report.

SURAVARAM SUDHAKAR REDDY
CHAIRMAN
STANDING COMMITTEE ON LABOUR

NEW DELHI;
10 May 2006
20 Vaisakha 1928 (Saka)

<u>CHAPTER-I</u>

IMPLEMENTATION STATUS OF RECOMMENDATIONS CONTAINED IN THE SIXTH REPORT ON DEMANDS FOR GRANTS (2005-2006)

1.1 The Standing Committee on Labour presented their Sixth Report on Demands for Grants (2005-2006) relating to the Ministry of Textiles on **25.4.2005**. The Standing Committee on Labour presented their 8th Action Taken Report on **14.12.2005.** Out of 13 recommendations, 3 recommendations (Recs. No.1, 2 and 12) were accepted by the Government. The Committee did not desire to pursue 4 Recommendations(3, 4, 10 and 13)in view of the reply given by the Ministry. In respect of 4 recommendations (5,6,8 and 9), the replies of the Government were not accepted by the Committee. The Committee in their 8th ATR, have reiterated these recommendations. Replies of the Ministry were interim in nature in respect of 2 recommendations (7 and 11). The Minister of Textiles made a statement on implementation of the recommendations in Lok Sabha on **9.12.2005**.

<u>Gist of recommendations which were accepted by the Government</u>

1.2 Rec. No.1 **<u>General Performance</u>**: - Ministry of Textiles stated that the amount of expenditure to be made in every quarter has been fixed. The pace of expenditure is being monitored. Rec.No.2 – The Non Plan Budget of the Ministry has been split into quarterly targets which is being reviewed by the Secretary(Textiles). Rec.No.12- **<u>Indian Jute Industries Research Association(IJIRA), Kolkata</u>**: - Ministry has stated that it is vigilant about any kind of irregularities in IJIRA and utilization of funds are closely monitored.

<u>Gist of recommendations which were not pursued by the Committee in view of Government's reply</u>.

1.3 Rec.No.3- **<u>Technology Upgradation Fund Scheme: -</u>** Reasons for Poor response of the SSI Sector should be found out and suitable steps should be taken to make the scheme attractive to them. As per TUFS norms, SSI entrepreneurs have to maintain books of accounts. In its absence, TUFS is not extended. Rec. No.4 – TUFS should be extended for manufacture of weaving machines. Textiles machinery is under the purview of the Ministry of Heavy Industry. Rec. No.10 – **<u>Jute diversification: -</u>** The Government propose to launch a Jute Technology Mission(2005-2010). **This is still at the proposal stage. This has been examined by the Committee in this report and recommended to expedite launch of Jute Technology Mission.** Rec.No.13 – **<u>Central Cottage Industries Corporation of India</u> :-** Preference should be given to artisans, craftsmen, weavers over suppliers in procurement of handicrafts A nationwide advertisement was released by CCIC in this regard.

<u>Gist of recommendations which were reiterated by the Committee in their 8th Report</u>

1.4 Rec. No.5 **<u>Textile Processing Sector</u>**: - Training Scheme should be launched for imparting comprehensive training to hand processors to motivate them to undergo training, feasibility of providing incentives to them be examined. **In the final action taken reply, it has been mentioned that there already exists an exhaustive network of centers with adequate infrastructure to impart training in the field. A separate training scheme has not been launched.** Rec. No.6 **<u>National Textile Corporation</u>**: - All the 53 viable mills of NTC should be modernised without the support of private sector. **This issue has again been examined by the Committee in this report and recommended to expedite modernisation.** Rec. No.8 – **<u>Closure of Jute Mills</u>:-** Recommended to examine the feasibility of providing assistance to viable sick jute mills under TUFS. **In the final action taken reply, it has been**

stated that there is another scheme called the JMDC Incentive Scheme for Modernisation of the Jute Industry. Further TUFS has recently been revised. Jute mills are not facing any financial scarcity for their modernisation now. Rec.No.9 – **NJMC :-** All the six units of NJMC to be revived expeditiously. **In the final action taken reply, it has been stated that the Government had decided that the revival of only two units out of six units of NJMC would be referred to BRPSE. Not implemented.**

Gist of recommendations on which replies of the Government were interim in nature

1.5 Rec. No.7 **National Textile Corporation:-** A special cell comprising senior officers of the Ministry should be set up to pursue the issue of sale of surplus lands of NTC with the State Governments. **In the final action taken reply, it has been stated that lands of 5 mills in Mumbai have been sold. In Ahmedabad, Govt. of Gujarat permitted sale of NTC lands on surrender of 20% of the land for public issue. This issue has again been examined in this report and recommended that the sale of lands in other States should be expedited.** Rec.No.11 – **National Centre for Jute Diversification** :- Response of entrepreneurs to the Jute Entrepreneurs Assistance Scheme. There should be an in-built mechanism for proper monitoring and review of the Scheme. **In the final action taken reply, it has been stated that the report of the study conducted by the National Productivity Council on the effectiveness of the schemes of NCJD is awaited. It has been further stated that the Scheme is proposed to be merged with the proposed Jute Technology Mission.**

REPORT

CHAPTER-II

Introductory

2.1The main functions and activities of the Ministry of Textiles can be broadly classified into five categories, viz. Policy formulation and planning, development, export promotion and trade regulation of the textile industry. It is the responsibility of the Ministry to formulate the policies regarding production, distribution (for domestic consumption and exports) and development of all textiles including cotton, woollen, jute, silk, synthetics, etc. produced on handlooms, powerlooms and in mills. It is also responsible for readymade garments, handicrafts and industries related to production of silk and cellulosic fibres.

2.2The developmental activities of the Ministry are oriented towards making adequate quantities of raw material available to all sectors of textile Industry and augment the production of fibres at reasonable prices from the organized and de-centralised sectors of the industry. To achieve this objective, the Ministry lays down guidelines for a planned and harmonious growth of various sectors of the industry.

2.3It has been further stated that the Ministry monitors the techno economic status of the industry and provides the requisite policy framework for modernization and rehabilitation. It also coordinates the activities of Textile Research Associations and lends financial support to them for undertaking research and development. The Ministry exercises administrative control over various organizations and public sector undertakings under its charge.

2.4The principal functional areas of the Ministry cover the following:-

- Textile Policy & Coordination.
- Man-made Fibre/Filament Yarn Industry.
- Cotton Textile Industry.
- Jute Industry.
- Silk and Silk Textile Industry.
- Wool & Woollen Industry.
- Decentralised Powerloom Sector.
- Export Promotion.
- Planning & Economic Analysis.

- Integrated Finance Matters.
- Information Technology

2.5 The Demands for Grants of the Ministry of Textiles for 2006-2007 are given Demand No. 91. The following are the major heads under which the Demands for Grants of the Ministry have been given:-

3451	-	Secretarial Economic Services
2851	-	Village and Small Industries
2852	-	Industries
3601	-	Grants-in-aid to State Governments
4552	-	Capital Outlay on North-Eastern Areas
4860	-	Capital Outlay on Consumer Industries
6860	-	Loans to Public Sector and other Undertakings
7601	-	Loans and advances to State Governments

CHAPTER-III

A. GENERAL PERFORMANCE

3.1 Plan Schemes/Programmes of the Ministry are grouped under two categories, viz. The Village & Small Industries (VSI) segment and Industry & Manufacturing (I&M) segment. The details of the 10th Five Year Plan (2002-2007) outlay and the expenditure incurred (upto 31 March 2005) have been given at **Annexure-I.**

3.2 The Table (Annexure-I) shows that the total Tenth Plan Outlay for the Plan Schemes of the Ministry of Textiles is Rs. 3,500 crore, out of which Rs. 2,842.80 crore have been spent upto 10 February 2006. Budget Estimates for 2006-2007 have been fixed at Rs. 1,349.50. These two together would amount to be Rs. 4,192.30 crore and as such the actual expenditure would be more by about Rs. 690 crore. On being asked the reasons for more plan expenditure than the Tenth Plan outlay, the Ministry of Textiles stated in a written reply that given the proposed objectives of the schemes, the targets as well as strategy, a sum of Rs. 8,425 crores was recommended as outlay for the textile sector during the Tenth Plan against which an allocation of Rs. 3,500 crores was approved by Planning Commission. The Ministry has further stated that introduction of new Schemes and modifications of the existing Schemes have been the main reasons for higher plan expenditure than the Tenth Plan outlay. As a result, the Ministry of Textiles could not forecast the exact amount of plan expenditure. It was further clarified during the evidence by a representative of the Ministry of Textiles that:-

> "We will have to learn from our mistakes. Suddenly things change; suddenly certain economic policies are adopted; certain changes in attitudes take place; suddenly investment potential improves because of various other factors; suddenly labour laws are liberalised; power position improves and infrastructure facilities improves, roads and ports become available. It has got a multiplier effect. Though we plan certain things, at the end of the day, we have to make mid-term corrections. It happens universally. We try to plan and when we see that better practices come in and some new technologies come in, we adopt them. Therefore, we have to make modification".

3.3 Details of the Schemes withdrawn, modified and merged with other Schemes by the Ministry of Textiles during the 10th Plan Schemes are as follows:-

(a) The Scheme for Integrated Textile Parks (SITP) has been launched by merging the Apparel Park for Exports Scheme and Textile Centre Infrastructure Development Scheme (TCIDS). In this regard, a representative of the Ministry explained during the evidence as follows:-

> "There was Apparel Park Export Scheme, which was started in March 2002 and on the same day and other Scheme, the TCIDS, Textiles Centre Infrastructure Development Scheme took off. Broadly, the Apparel Park Export Scheme was imparting focussed thrust for setting up of apparel manufacturing units of international standards. The Central Government was providing 100 per cent grant. Similarly, under the TCIDS it was up to fifty per cent of the critical components of the project with the maximum of Rs. 20 crore for each area. There was a State Government component also on 75:25 per cent basis. We were depending on the State Government for land and they did not have funds. In the Apparel Export Scheme it was found that the amount invested was too small. Only small clusters were coming up. When we are talking of big things today, we were looking at small things at that time. There were quotas at the particular point of time. Therefore, in these two schemes we found that due to the lack of capital and due to lack of big entrepreneurial development, we were not successful. Then came the Tirupur success story. When the Tirupur model succeeded, we found that these two schemes could be integrated to have one big scheme. Under that SITP Scheme was envisaged."

(b) **Handloom Sector**:-

- The Group Insurance scheme was replaced by the Bunkar Bima Yojana.
- The Bunkar Bima Yojana was modified as Mahatma Gandhi Bunkar Bima Yojana.
- The Health Insurance Scheme was introduced in place of the Health Package scheme.

- Training to the Handloom weavers/workers for upgrading their skills was given under "Decentralised Training Programmes" and Cooperative Training", being the components of the Design Development and Training Programmes (DDTP) Schemes. Consequent to the introduction of "Integrated Handloom Training Project (IHTP) in December 2003, these components have been subsumed in the IHTP and hence, stand withdrawn.

(c) **Handicraft sector**:-

- The scheme for "Financial Assistance" to State Handicrafts Development Corporation has been withdrawn.
- New components were added to modify Baba Saheb Ambedkar Hastshilp Vikas Yojana (AHVY). The details are as under:-

(i) Setting up of facility Centre on PPP Module for entrepreneurs and exporters.
(ii) Engagement of Guiding and Monitoring Agencies for Successful implementation of projects.
(iii) Training & Extension Scheme for imparting training in different crafts has been modified to form "Special Handicrafts Training Project".
(iv) Credit Guarantee & Workshed Schemes which were launched in the J&K State have been extended to the whole country.

(d) **Silk Sector**:-

In respect of silk sector, additional inputs were included in the ongoing Catalytic Development Programme (CDP). These include the following:-

- Support for construction of Vermi-Compost Sheds:
- Supply of Rearing appliances;
- Setting up of Eri Raw Material Bank;
- Strengthening post cocoon sector;
- Support for bye product utilization;
- Vanya (non-mulberry) Silk Market Promotion Cell;
- Drip Irrigation;
- Assistance to Private Licensed Silkworm Seed Producers;

- IT Initiatives;
- Promotion of Silk Mart.

3.4 This may also be noted from the above table that every year actual expenditure has been much less than the Budget Estimates. An amount of Rs. 112.55 crore in 2002-2003, an amount of 121.34 crore in 2003-04, an amount of Rs. 148.13 crore in 2004-05 and an amount of Rs. 313.39 crore in 2005-06 (upto 10-02-2006) was left unutilised by the Ministry. When asked the reasons for under utilization of Plan allocations, the Ministry gave the reasons:-

> "In case of Handicraft sector, development schemes are grant-in-aid which are implemented through NGOs, Cooperatives, etc. Majority of Implementing Agencies are local NGOs with inadequate capacity and no exposure. Further, it being a highly decentralised sector, the NGOs often find it difficult to assess the ground level problem of the artisans and do not come up with good, comprehensive and viable proposals. Shortfall is also due to non-submission of basic documents in time required for processing the case as per rule and delay in settlement of accounts of earlier grants (pending of Utilisation Certificate)".

When the Ministry was asked to justify the continuance/implementation of the schemes when the implementing agencies are ill-equipped to run them, it was stated that the Handicraft sector is an unorganized sector which is spread over different craft pockets all across the country. The Office of the Development Commissioner (Handicrafts) has been implementing schemes like the Baba Saheb Ambedkar Hastshilp Vikas Yojana (AHVY), Marketing Support & Services, Design and Technology Upgradation, Training and Extension, etc. for the development and promotion of the sector. These schemes have contributed towards the empowerment of artisans, leading to their self sustainability and improved economic status. The AHVY scheme is being implemented for the integrated development of selected craft clusters by empowering them through the formation of Self Help Groups. Design and Technology Upgradation Scheme helps the artisans in developing their products as per market needs. Marketing Support and Services Scheme provide them a continuous marketing platform in the form of exhibitions, craft bazaars, urban haats, etc. The Training Scheme helps them in acquiring new skills and enhancing the quality of their products. Hence continuation of the schemes with the right developmental partners is necessary for continuous upliftment of artisans in the Handicrafts Sector and enlarging the reach of Government among artisans.

3.5 Regarding the steps being taken for the success of the Plan schemes, the Ministry stated as under:-

> "Selection of right developmental partners has been undertaken by this office as a major exercise so that schemes are implemented as per norms. Accordingly, a system of grading has been introduced by this office to select capable partners with adequate resources and infrastructure for implementing the schemes. Further, Guiding & Monitoring Agency (GMA) is being introduced for capacity building in case of those implementing partners of AHVY where certain shortcomings have been noticed. Integrated business plans are also being prepared for selected AHVY clusters, which will also indicate best suitable partners for implementing this scheme in those clusters. The implementation of marketing scheme is being regulated through the introduction of series of craft bazaars and handicrafts expos under the name of "Gandhi Shilp Bazaar", whereby are annual calendar has been fixed in advance for conducting various events all over the country through local implementing partners, who will be more effective in implementing the same in their respective areas."

3.6 In case of handloom sector, inability of the State Governments to make adequate budgetary provision to meet the requisite state share as stipulated under guidelines of the respective schemes is responsible for under utilization of plan outlay. In this regard, it has been further stated that the Government of India releases the Central assistance under various Schemes on the basis of viable proposals received from the State Governments. The State Governments are requested to submit correct and complete proposals well in time, so that the allocations under various Schemes are properly and fully utilized. Also, State Governments are directed from time to time to keep adequate Budget provisions as their share, wherever it is necessary. In addition to the State Governments, National Handloom Development Corporation Limited (NHDC), Weavers Service Centres, State Handloom Corporations, Apex Cooperative Societies, are also involved in planning and implementation of various schemes. With the steps taken by the office of the Development Commissioner for Handlooms, the Tenth Plan allocation has been fully utilized.

3.7 **The Committee note with concern that often new schemes are launched without proper study about their feasibility and utility. This leads to their improper implementation and numerous modifications later on. Many schemes were withdrawn prematurely and replaced by new schemes. There are many instances of withdrawals, modifications and additions of schemes in the sectors of textiles, handlooms, sericulture and handicrafts. As a result, intended benefits do not reach the target population. Moreover, huge amount of budgetary allocations remain unutilised every year due to such uncertainties in the implementation of the schemes. The Committee find that Rs. 112.55 crore, Rs. 121.34 crore, 148.13 crore and Rs. 313.39 crore were left unutilised during 2002-2003, 2003-2004, 2004-2005 and 2005-2006 respectively. Thus, the unutilised amount increased in ascending order every year totaling to Rs.695.41 crore in the last four years, which is very high by any reckoning. An ambitious target of US $ 85 billion by 2010 has been fixed for the textile sector to remain competitive at the international level. However, the pace of implementation of development and welfare schemes does not indicate the growth of the industry towards achieving this target. It is therefore necessary that a thorough field study should be conducted regarding needs of the industry, feasibility of the schemes, difficulties ahead in their implementation, regional imbalances in the acceptance of the schemes,**

etc. before launching of the schemes. Otherwise this may lead to improper implementation and result in locking of several crores of rupees. The Committee recommend that preparations for the next Five Year Plan should start at the right earnest. Developmental and welfare schemes for the textile sector should be selected carefully after a thorough study based on the past experiences, ground realities and the future need. Instead of loading the sector with a plethora of half-baked schemes, a few effective and well planned schemes should be devised to assist the textile industry, to achieve the desired growth of the sector and to make it globally competitive.

3.8 The Committee find that a Budget estimate of Rs. 1,349.50 crore has been fixed for the plan expenditure of the Ministry of Textiles for the year 2006-2007. This is Rs. 164.29 crore more than the last year. Keeping in view the performance of the Ministry, it appears doubtful whether the Ministry would be able to spend this amount for the implementation of Plan schemes in the year 2006-2007. During the entire Tenth Plan period, hundreds of crores of rupees were left unutilised in every plan year. As a result of this, there is slow progress in the implementation of plan schemes and benefits of the schemes do not reach the targeted groups properly. The Committee hope that the Ministry would make all out efforts to spend the entire plan allocation and thereby implement the plan schemes effectively at least during 2006-2007.

The Committee recommend that a monthly review meeting should be conducted by the Ministry at the highest level to discuss the progress being made in the implementation of the Schemes and in spending the amount allocated for them. State Governments and the Implementing agencies should also be involved in this process.

3.9 The Committee are also concerned to note that two important schemes viz., Apparel Park Export Scheme and Textile Centre Infrastructure Development Scheme could not be implemented properly even though an amount of Rs. 120.90 crore has been spent out of Rs. 150 crore allocated for them. Apparel Park for Export Scheme was intended for setting up of apparel manufacturing units of international standards at potential growth centres for exports and Textile Centre Infrastructure Development Scheme was for upgrading infrastructure facilities at important textile centres. While in the first scheme, i.e APES the amount invested was too small and only small clusters were coming up, the second was dependent on State Governments for land, which did not have funds. As a result, the schemes were given-up and a new scheme for Integrated Textile Park has been launched in their place. An amount of Rs. 209 crore has been allocated for this new scheme for the year 2006-2007. The Committee are skeptical about the success of this scheme too in view of the failure of the earlier schemes. The Committee, therefore,

recommend that a thorough study should be conducted on the causes of failure of the earlier schemes and accordingly effective steps should be taken to ensure the success of this new scheme.

Major Head :2852

Minor Head:070050

B. **TEXTILE WORKERS' REHABILITATION FUND SCHEME (TWRFS)**

3.10 In accordance with Textile Policy of June 1985, the Government of India formulated the Textile Workers' Rehabilitation Fund Scheme (TWRFS) which came into force with effect from 15th September 1986. The objective of the TWRFS is to give interim relief to the workers rendered jobless due to permanent closure of the mills. Relief under the scheme is available only for three years on a tapering basis, 75% of the wage equivalent in the first year, 50% in the second year and 25% in the third year. The mills closed on or after 06-06-1985 are covered under TWRFS. This scheme is not applicable to the State/Central Government Public Sector Undertakings and the textile units in the co-operative fold of the State/Central Government.

ELIGIBILITY

(i) This Scheme applies to such textile unit, which is either licensed under Industries (Development & Regulation) Act, 1951, or registered with the Textile Commissioner as medium scale unit.

(ii) Such unit should have been completely closed, meaning that its production had come to a complete grinding halt after 05-06-1985.

(iii) In addition, such a unit should have been declared as closed unit under Section 25(O) of the Industrial Disputes Act, 1947, or alternatively an Official Liquidator was appointed under Companies Act, 1956, for the purpose of winding up of the unit.

(iv) The TWRF Scheme is also made applicable to cases of partial closure on a case-to-case basis. The cases of partial closure are restricted to those wherein the State Governments recommend that an entire uneconomic activity (like weaving or processing) is scrapped as a part of rehabilitation package for a sick mill (as per the RBI definition) approved by the Nodal Agency/ BIFR provided the scrapped capacity is surrendered for cancellation and endorsement is made on the License/Registration certificate to this effect.

3.11 The details regarding number of mills closed during the last 3 years and the number of workers affected are given below:-

<u>Reply:-</u>(a) <u>Number of textile mills closed in the country during each last three years</u>

Sr.No	State	Year / Mills			Approximate number of workers affected
		2003	2004	2005	
01.	Andhra Pradesh	7	-	1	1753
02.	Assam	1	-	-	1318
03.	Haryana	1	1	-	68
04.	Karnataka	1	-	-	990
05.	Kerala	4	-	-	1363
06.	Madhya Pradesh	2	-	-	403
07.	Maharashtra	9	2	2	8337
08.	Orissa	1	1	-	1349
09.	Rajasthan	1	1	-	111
10.	Tamil Nadu	26	7	1	10294
11.	West Bengal	2	-	-	928
12.	Utter Pradesh	-	-	2	2879
13.	Gujarat	-	5	-	2875
	TOTAL	**55**	**17**	**6**	**32668**

3.12 When asked whether the affected workers of the above stated closed mills were eligible to receive compensation under TWRFS, it was stated by the Ministry in a written reply that:-

> "The workers of these mills would be eligible. However, as per the guidelines of TWRFS, to seek benefits under the scheme, initiative has to come from respective State Governments who have to give approval for closure of units under Section 25(O) of the Industrial Disputes Act, 1947 and also have access to relevant records of employment essential for disbursing the relief under the Scheme. Most State Governments are not keen to give their approval to the closure of the units since they do not want to be judged as unfriendly to workers. As on date, the eligibility of these closed mills is

not established on account of the above reluctance of the State Governments. Hence no worker has received any compensation under the TWRFS. However, most of the workers of these mills would be eligible for TWRFS relief in due course of time and at that time they would be provided the said relief".

3.13 In regard to the steps taken to provide relief to the affected workers under the scheme, it has been stated that the office of the Textile Commissioner, Mumbai which is the implementing agency for this Scheme, through its Regional Offices remains in regular contact with the State Government Authorities/Official Liquidator/Mill Management/Provident Fund Authorities to obtain details regarding eligible workers. To a query, whether the multiplicity of rules governing TWRFS makes it impossible to workers to get timely relief, the Ministry in a written reply stated as follows:-

"No Sir, the provisions of the rules governing TWRFS are not hurdles in timely relief. However due to prolonged proceedings in the B.I.F.R./High Courts, the litigation takes long time for ordering winding up of the unit and appointment of Official Liquidator (OL). The State Governments also take time for giving permission under Section 25(O) of the Industrial Dispute Act, 1947. The unit has to fulfill this condition before equalifying for being eligible to be covered under TWRFS. Once the permission is granted under 25(O) or O.L. is appointed in the process of winding up of the Company, speedy action is taken for disbursement of relief. However, provision relating to legal closure of any mill may not be relaxed to maintain transparency in the Scheme."

3.14 The amount allocated for the Scheme and the actual expenditure during last three years as under:-

Year	**Amount allocated (in Rs)**	**Actual expenditure (in Rs.)**	**Amount unspent (in Rs.)**
2003-04	1,13,50,000 (RE)	1,11,43,193	2,06,807
2004-05	8,00,00,000 (RE)	7,99,85,712	14,288
2005-06	8,00,00,000 (RE)	7,12,83,736	87,16,264

3.15 During the last three financial years only 6864 workers of 23 closed mills were benefitted. An amount of Rs. 17.11 crore has been disbursed to them. All these mills were closed between 1985 and 1998. The details of the year of closure of these mills are given below:-

Year	**No. of Mills Closed**
1985	02
1986	04
1987	03
1988	01
1991	01
1992	03
1993	01
1994	06
1998	02

3.16 The Committee are deeply concerned to note that 32,668 workers of 78 Mills, which were closed during the last 3 years, have not received any relief under Textile Workers Relief Fund Scheme even though they are eligible to receive relief under the Scheme. To seek benefits under the scheme, State Governments have to give approval for closure of units under Section 25(O) of the Industrial Disputes Act, 1947 or an Official Liquidator has to be appointed under Companies Act, 1956 for the purpose of winding up the unit. As the state Governments are reluctant to give approval to the closure of units since they do not want to be judged as unfriendly to workers and due to prolonged proceedings in BIFR/ High Courts before the appointment of Official Liquidator, the workers have to wait very long for receiving benefits under the Scheme. Only 6,864 workers of 23 Mills, which were closed between 1985 and 1998 have been given relief under the Scheme. The Committee take a serious view of this as the very purpose of the TWRFS is defeated due to such inordinate delay in providing relief to the workers. The Committee strongly feel that relief to workers should be provided immediately after the closure of the Mills to enable them to run their families without difficulty while switching over to a new job or for making alternate arrangement for livelihood. The Committee, therefore, recommend that guidelines of the TWRFS should be amended and the requirements of

permission under Section 25(O) and appointment of Official Liquidator under Companies Act, 1956 should be done away with. Instead, the job should be entrusted to a very senior officer of the office of the Textile Commissioner who should visit the mill and after due verification give approval for the disbursement of relief to the eligible workers immediately but within three months positively. The Committee further recommend that for undue delay in the process, personal responsibility of the concerned officer should be fixed. The steps taken and progress achieved should be intimated to the Committee within a period of three months.

Major Head : 4860

Minor Head : 01190

C. NATIONAL TEXTILE CORPORATION LIMITED

3.17 National Textile Corporation Ltd. (NTC) was set up in 1968 with the main objective of managing the affairs of the Sick Textile Undertakings taken over by the Government. It was also proposed to rehabilitate and modernize these mills after the take over and expand them wherever necessary with a view to make them economically viable.

3.18 NTC was managing 119 mills through its 9 Subsidiary Corporations. With the erosion of equity, 8 Subsidiary Corporations except NTC (TN&P) Ltd. were referred to BIFR. Subsequently, NTC (TN&P) Ltd. was also referred to BIFR. However, with the implementation of revival schemes and consequent closure of 65 unviable mills and transfer of 2 mills to Government of Pondicherry, NTC has 52 mills at present.

3.19 NTC mills have been organised under 9 subsidiaries These subsidiaries are controlled by NTC (Holding Company) located at New Delhi. The details of subsidiaries are as under:-

No.	NTC subsidiary	Mills	Headquarters	States covered
1.	APKKM	10	Bangalore	Andhra Pradesh, Karnataka, Kerala & Mahe
2.	DPR	5	Delhi	Delhi, Punjab & Rajasthan
3.	GUJ	2	Ahmedabad	Gujarat
4.	MN	8	Mumbai	Maharashtra
5.	MP	2	Indore	Madhya Pradesh & Chattisgarh
6.	SM	9	Mumbai	Maharashtra
7.	UP	2	Kanpur	Uttar Pradesh
8.	TNP	8	Coimbatore	Tamil Nadu & Pondicherry
9.	WBAB&O	6	Kolkata	West Bengal, Assam, Bihar & Orissa
	Total	**52**		

3.20 Out of 52 viable mills, 22 mills to be revived by NTC itself through sale of surplus assets, 29 mills in which heavy doze of modernization is required are to be revived through Joint Venture with private entrepreneurs and on the land of 1 mill i.e. India United Mills NO. 6 (Dye Works) it is proposed to construct India International Trade Tower.

3.21 It has been stated by the Ministry of Textiles in its Performance Budget 2005-06 that expressions of Interest (EOIs) were invited from the interested private entrepreneurs to modernize and run 29 mills making joint venture. The EOIs so received are under process of evaluation. When asked the reasons for floating joint ventures with private sector to modernize and run remaining 29 viable mills, the Ministry in a written reply stated that NTC does not have adequate resources of modernization of all viable mills after meeting the cost of servicing the Bonds, which were issued to pay the voluntary retirement compensation to surplus employees. Therefore, in order to quicken the modernization process, it was decided to modernize and run 29 mills by forming joint venture with private partnerships. The Committee were also informed that the modalities of proposed Joint Venture will be decided in consultation with a reputed consultant/advisor.

3.22 The Ministry further informed the Committee that a Draft Modified Revival Scheme (DMRS) has been submitted to BIFR for modernisation of viable NTC mills. As per DMRS, the cost of modernization of 15 mills in the first phase, 7 mills in the second Phase and strategic partnership for 30 mills has been worked as per details given below:-

(Rs. crore)

Sl. No.	**Particulars**	**Mills**			**Corporate Offices +RMDs**	**Total**
		15 (Ist Phase)	**7 (2nd Phase)**	**30 (SPV)**		
1.	Modernisation (revised)	318.83	211.13	---	---	529.96
2.	Working Capital (revised)	117.61	29.29	---	---	146.90
3.	MVRS (additional)	141.94	60.26	560.45	50.00	812.65
4.	Pressing Creditors (balance)	0.00	0.00	0.00	206.68	206.68
5.	Wage support (during implementation period)	148.00	63.00	285.00	32.00	528.00

6.	Interest & related expenses on Bonds up to redemption				615.43	615.43
7.	Bond redemption				2028.04	2028.04
8.	Refund of GoI Loans				399.90	399.90
	Grand Total	**726.38**	**363.68**	**845.45**	**3332.05**	**5267.56**

3.23 It is proposed to meet the cost of revival scheme, which include modernization cost and VRS to interested employees, primarily from sale of surplus assets. However, Government would continue to provide assistance to shortfall in wages during the implementation period. The envisaged means of finance are given below:-

(Rs. In Crore)

Sl. No.	**Particulars**	**Amount**
1.	Interest free loan from GOI against shortfall in wages (FY 2006 & 2007)	528.00
2.	Funds from sale of Land & other assets	4,739.56
	TOTAL	**5267.56**

3.24 NTC has so far sold surplus Plant & Machinery worth Rs. 236.38 crore and surplus land worth Rs. 2,532.16 crores and Building-debris for Rs. 71.46 crore up to 31.12.2005. NTC mobilized Rs. 1,779.35 crores through Government Guaranteed NTC Taxable Bonds for payment of VRS to surplus employees. NTC paid VRS compensation amounting to Rs. 1,746.64 crores to 51,180 employees up to 31.12.2005. An amount of Rs. 182.66 crores has been paid to clear the PF & ESI dues out of fund mobilized through Taxable Bonds.

3.25 When asked the reasons for delay in modernization of viable mills, it was stated by the Ministry in a written reply that:-

"the modernization process was delayed because of slow pace of land sale mainly due to delay in obtaining no objection certificates from State Governments. The sale of land picked up after the State Government of Maharashtra gave permission for sale of land of 5 mills in Mumbai in January 2005, though permission from some State Governments for sale of land and change of land use in respect of other mills is still awaited".

3.26 In regard to the progress mad on modernization of viable mills, the Ministry in a written reply stated as follows:

"A Central Purchase Committee has been constituted by National Textile Corporation (Holding Company) for procurement of machinery for modernization of 22 mills. National Textile Corporation invited open tenders by publishing the advertisement in 3 leading newspapers inviting offers for supply of new textile machinery. Based on the bids received, the Committee has finalized the rates and the suppliers of machinery. Further, the order for purchasing of new machinery for the modernization/revival of 5 mills (1 each from Mumbai, Kerala and Coimbatore and 2 from Madhya Pradesh) have initially been placed. As per the Draft Modified Revival Scheme (DMRS) submitted to the Board for Industrial and Financial Reconstruction (BIFR), it is proposed to modernize all viable mills by the end of financial year 2007-08.

3.27 While replying to the queries of the Committee, the Secretary (Textiles) stated as follows during oral evidence:

"Supreme Court clearing and upholding the decision of the land process and land disposal and asset management, it will give us a very big boost in the coming three or four months. We will take due care of the concerns expressed by the Hon'ble Members that there should be a fixed roadmap and fixed schedule. After all, every quarter the performance of NTC is reviewed at my level, at the level of the Secretary. Since most of the mills are closed and very few are operating so we get more time in our deliberations with the CMD and Directors as to what is to be done. They have already chalked out a detailed programme. I am sure in the next three months, we will be ready with it and we are convinced that this is our path so that there is no modification. While we initiate the implementation, we should not repeat any mistakes of the past and ensure its success.

Secondly, apart from the persons to whom we owe money, after all what I am trying to imply in my submission is that if Rs. 2,500 crore have come, they have come on account of the assets of the NTC Those assets of the NTC have to take care of the liabilities of that company not confined to one State or outside, the mandate of the company legally, or otherwise, is for the country. Wherever the liabilities are there of this company, they are to be liquidated as a first charge along with the first liability. Of course our priority is to start running the mills-which are 22 in number-as quickly as possible. We will further discuss with the CMD in our subsequent review and ensure that he continues with that and, secondly, that it is to be run either in joint sector or private sector collaboration, or by ourselves further. Our mind is open. We are clear that once we succeed in these 22 mills, we will be simultaneously discussing with them. Where there are our expressions of interest, we are trying to get partners. That is the reason why the consultants have been attached and appointed by the NTC Board who will advice them now what to do with the other 31 mills and to do it in a transparent manner and in a manner which is effective and cost-effective. They will have that roadmap and we will ask them to come forward with their roadmap in the coming months…..The Hon'ble Member from Maharashtra is saying that whatever assets arise or cash flows out of a particular geographical region, it should be ploughed back there. It is a question, which I think, is to be decided at a level much higher than me also, I suppose. But as far as I am concerned, NTC has a mandate for India and NTC has to take care that whatever best they can do in every State where they have been historically, they should think of those measures. Today, my first submission is that they should be directed by you to come out of the BIFR clutches as early as possible by setting their house in order, by settling all the issues which is a sign of a good and healthy company. Having come out, they will be in a position to deal with the issues that have been raised by the Hon'ble

Members. If they cannot run a mill in Mumbai, then why can they not look outside? Why not elsewhere?"

3.28 The Committee have noted that out of 52 viable NTC mills, 22 mills are proposed to be modernised in two phases and the remaining 29 mills are proposed to be modernized through joint venture with private entrepreneurs. In this regard, a draft modified revival scheme has been submitted to BIFR for its approval. All the mills are proposed to be modernised before the end of financial year 2007-2008. In the first phase 15 mills have been taken up for modernisation. However, the order has been placed for purchasing new machinery for the modernisation of only 5 mills. As such, it is to be seen whether NTC would be able to complete the modernisation of the 15 mills earmarked for modernisation in the first phase not to say of all 52 viable mills before the end of 2007-2008. The Committee are least satisfied of the manner in which the entire programme of modernization is being tackled. The Committee, therefore, recommend that a realistic time-table should be prepared by the Ministry for the early modernization of all viable mills and prompt and concrete steps should be taken accordingly for the expeditious approval of modified Revival Scheme by BIFR. The steps taken and the progress achieved in this regard should be communicated to the Committee within a period of three months positively.

3.29 The Committee were informed that NTC does not have adequate resources for modernization of all the viable mills. In order to hasten the process of modernization, it was decided by the Government to modernize and run 29 mills by forming joint venture with private partnership. In this regard, it is pertinent to note that the sale of surplus lands of Mumbai fetched NTC about Rs. 2,500 crore. Permission from some State Governments for sale of land and change of land use in respect of other mills is awaited. As such, if expeditious steps are taken at the highest level in the Ministry, sale of land in other States may also materialize soon. Moreover, viable mills which are located in prime locations of cities may be shifted to suburban areas and a huge amount may be mobilised through sale of such lands. If the Ministry implements the above suggestions, NTC would itself be in a position to modernise its remaining 29 mills. The Committee are of the view that floating joint venture with private sector should be the last option before the Government as NTC itself had emerged from the graveyard of failed private mills. It is, therefore, recommended that the feasibility of above suggestions

should be examined and suitable steps taken to modernise those mills in a time bound manner.

Major Head : 2851
Minor Head : 00108

D. DECENTRALISED POWERLOOM SECTOR

3.30 The decentralised powerloom sector plays a pivotal role in meeting the clothing needs of the country. The powerloom industry produces a wide variety of cloth, both grey as well as processed. Production of cloth as well as generation of employment has been rapidly increasing in the powerloom sector. There are 19.34 lakh Powerlooms in the country distributed over approximately 4.30 lakh units. The powerloom sector contributes 68% of the total cloth production of the country, and provided employment to about 48.15 lakh persons. This sector also provides nearly 80% of fabrics to the garment sector. The estimated total number of powerlooms installed in the country as on 31-01-2006, Statewise, is given below:-

Powerlooms as on 31-01-2006

Sl. No.	**Name of the State/Union Territory**	**Updated position of unit/looms**	
		No. of Units	**No. of Looms**
I. State			
1.	Andhra Pradesh	9746	44353
2.	Assam	261	2726
3.	Bihar	1443	2894
4.	Goa	18	122
5.	Gujarat	32202	322701
6.	Haryana	2655	9901
7.	Himachal Pradesh	182	1461
8.	Jammu & Kashmir	56	65
9.	Karnataka	24579	81869
10.	Kerala	670	2788
11.	Madhya Pradesh	34001	82823
12.	Maharashtra	216767	875817
13.	Orissa	792	3321
14.	Punjab	3661	23620
15.	Rajasthan	4022	33232
16.	Tamil Nadu	73338	372736

17.	Uttar Pradesh	25130	65972
18.	West Bengal	905	4727
19.	Delhi	124	1102
20.	Arunachal Pradesh, Manipur, Mizoram, Meghalaya, Nagaland, Sikki, Tripura	0	0
II. Union Territory			
21.	Chandigarh	11	42
22.	Dadar & Nagar Haveli	38	962
23.	Pondicherry	117	830
24.	Andaman & Nikobar, Daman & Diu, Lakshdweep	0	0
TOTAL		**430718**	**1934064**

3.31 The Ministry in its Annual Report 2005-06 has stated that the Powerloom sector required special efforts of motivation and encouragement to avail of technology. Lack of awareness of programmes, lack of confidence in approaching lending agencies, diffidence borne out of unfamiliarity with rules and paper work, shortage of margin money, insufficiency of collateral, working capital constraints, and lack of technical skills are among the reasons identified for their continued obsolescence. Major problems and challenges to the decentralized powerloom sector include:-

- Technological obsolescence and small size of units with fragmentation.
- High power tariffs with uncertain power supply
- Lack of credit availability & poor marketability.
- Low HRD skill levels and poor quality consciousness.
- Globalization of the textile trade & threat of import penetration.

Following is the budgetory allocations made and the actual expenditure incurred on the Powerloom Sector since 2002-03:-

(Rs. in Crore)

Year	Budget Estimates	Actual Expenditure
2002-2003	12.00	4.52
2003-2004	14.00	8.26
2004-2005	12.128	4.01

2005-2006	8.00	8.00
2006-2007	8.00	---

3.32 The above statement show that allocation to powerloom sector is very less and does not commensurate with the production capacity of the powerloom sector. The utilization of funds is also not up to the mark. When asked the reasons for less budgetary allocation for powerloom sector, the Ministry in a written reply stated as under:-

> "The budget estimate and the actual expenditure indicated in the statement relates to Powerloom Sector services. The allocation is actually made for the recurring expenditure of the Powerloom Service Centres and CAD Centres managed by different TRAs as well as the plan PSCs managed by Office of the Textile Commissioner. This allocation also includes the share of the Government of India towards Premium for the Group Insurance Scheme for powerloom workers, as well as the allocation for providing subsidy under the Group Workshed Scheme for the Powerloom Sector. This allocation is not meant for providing any assistance to the powerloom units. Government of India supports the modernisation programme of the textile industry through the TUF scheme. The Powerloom Sector can avail benefits of either 5% interest reimbursement or 15% upfront capital subsidy".

3.33 The Ministry has further stated that the response of the industry to these schemes is encouraging, as could be seen from the following figures:

Sl. No.	**Year**	**No. of Units**	**Amount of subsidy released (Rs. In lakhs)**
1.	2003-04	4	9.67
2.	2004-05	150	600
3.	2005-06	368	2300

3.34 This expenditure is in addition to the expenditure indicated above. For 20% CLCS, there is no separate budget allocation and the required fund is earmarked out of the budget allocation for the TUF Scheme. An amount of Rs. 9,564 crore has been disbursed through TUFS to the entire textile sector. The

Secretary (Textiles) also assured the Committee during the evidence that a whole lot of new initiatives have been under finalisation with the Office of the Textile Commissioner so that the Ministry focuses on the Powerloom Sector.

3.35 When asked the reasons for under utilisation of budgetory allocations, the Ministry in a written reply stated that the fund allocated for the powerloom Sector Schemes could not be utilised fully due to non-utilization of funds under the Group Workshed Scheme, and none of the projects under the scheme has been implemented so far.

3.36 The scheme has not taken off because of the following reasons:-

- Requisite members were not available for constituting eligible groups.
- Release of subsidy was back ended.
- Institutional finance was not forthcoming for the projects.
- State Government's approval was a pre-condition, if infrastructure facilitites were to be availed through TCIDS.

3.37 In this regard, the Ministry has informed the Committee that certain corrective steps are being proposed by Textile Commissioner wherein significant deficiencies in the implementation of the scheme have been rectified. These proposals include release of partial subsidy in advance, downsizing of groups and enhancement of subsidy.

3.38 In regard to query on target fixed for modernisation of Powerloom sector and the achievements made thereon, the Ministry in a written reply stated that the target for modernisation of Powerloom Sector is 20,000 shutteless looms, which would be installed through modernisation programme. The Powerlooms modernized since April 2001 are as under:-

Sl. No.	**Type of Loom**	**Modernized since April 2001 (as on 31-12-2005)**
1.	Semi-Auto looms	25049
2.	Automatic looms	8269

3.	Shuttleless Looms	16100
	TOTAL	49418

3.39 When asked whether any time frame has been fixed for the modernisation of all the powerlooms in the country, the Ministry in a written reply stated that it is difficult to indicate by which time the entire Powerlooms in the country are likely to be modernized. In view of various schemes announced by the Government it is likely that more and more powerloom units would avail the benefit of the schemes and modernize their looms in large numbers.

3.40 At present there are only about 30,000 shuttleless looms in the country and the rest are shuttlelooms. When the Committee enquired why such a low target of only 20,000 shuttleless looms has been fixed when there are 19,34, 064 looms in the country, it was clarified in a written reply by the Ministry that:-

> "The cost of shuttleless looms is much higher than shuttle looms. Their productivity is also higher. It is anticipated that in order to meet the production targets for the next five years, approximately 90,000 shuttleless looms will be required at a project growth rate of 14 per cent. The target of 20,000 looms is based on the assessment of the Regional Office of the Textile Commissioner. In addition, it is anticipated that with the growing response to the 20 per cent CLCS Scheme, this target would be achievable for the year 2006-07.

3.41 The Ministry informed the Committee that significance/advantages of shuttleless looms over shuttle looms are as follows:-

- Higher speed and multi width weaving. At least 4 to 6 times increased production than that of shuttle looms.
- Pirn winding and shuttle is eliminated.
- Versatile looms provide for both filament and spun yarn fabrics and for a wide range of counts.
- Pick-and-pick colours can be easily inserted. Normally with 4-6 colours on jet and projectile looms and upto 8-16 colours on rapier looms.
- Less value loss of fabric-Reduction of weft faults.
- Low consumption of stores and spares.
- Low power consumption per square meter of fabric produced.

- Bigger flange diameter upto 1000 mm (for Denim fabric upto 1500 mm reduces the down time of looms).
- Lower noise level.

3.42 When asked about the steps purposed to be taken to convert all shuttle looms into shuttleless looms, it was replied by the Ministry that technically shuttle looms can be converted into shuttleless looms. However such converted looms will not be techno-economically viable. It would be advantageous to replace shuttle looms by shuttleless looms. Therefore, induction of new shuttleless looms through TUFS or otherwise will be encouraged. It is expected that in the next five years 90,000 shuttleless looms can be inducted into the weaving sector, including organized and the unorganized sector.

3.43 In regard to modernisation of powerloom industries, a representative of the Ministry of Textiles stated as follows during the oral evidence:-

> "For the power loom sector, there are two types of things. First is the modernisation. Compared to the total number of powerlooms in the country, the number of shuttleless looms or modernised looms are very less. But in the last two years, a good take off has taken place under the TUFS. If I give you the figures, in 2003-04, only Rs. 9.67 lakh has gone to the power loom sector. That was the off take under the TUFS. Last year it was Rs. 6 crore; this year it has gone up to Rs. 23 crore. With the increasing requirement in the sector, we expect it to go up to Rs. 70 crore or Rs. 80 crore under the TUFS in 2006-07. Every year it is jumping by two or three times. Now, there is also an infrastructure scheme. The group workshed scheme for power loom sector to modernise the power looms. As you rightly observed the schemes are being modified depending on the take off and depending on how they are received. Earlier there were certain problems in the schemes. As we learnt in the case of Integrated Textile Parks, the TCIDS was not coming up to expectations. Now, the proposal is under the approval in the Ministry. The workshed programme is getting modified. We will make the payments to the persons in proportion to the work. That scheme, we expect, will then take off. In the power loom sector, both regarding the modernisation of looms and providing individual or any group workshed infrastructure, we are moving forward. As has already been pointed out,

many of the Integrated Textile Parks have a major component of the power-looms as well. Some of the Integrated Textile Parks are largely power-loom Parks. So, we are certainly moving quite ahead in the modernisation of the power-looms in the country".

3.44 **The Committee are constrained to note that powerloom sector has not received the due attention of the Government it deserves, even though this sector constitutes 68% of the total cloth production of the country and provides employment to about 48.15 lakh persons. The Government has introduced 20% Credit Linked Capital Subsidy Scheme (CLCSS) since November 2003. Only 522 powerloom units have availed the subsidy so far out of 4,30,718 units in the country. Since 2003-04 only Rs. 23.09 crore have been availed by Powerloom Sector out of Rs.9,564.86 crore disbursed to the entire textile sector through TUFS. The reasons identified for the backwardness of powerloom sector are lack of awareness of programmes, lack of confidence in approaching lending agencies, unfamiliarity with rules and paper work, shortage of margin money and insufficiency of collateral etc. The Committee recommend that the Ministry should take urgent steps to educate the entrepreneurs of Powerlooms through its field offices about the latest developments in the field, benefits of the development schemes including 20% CLCSS and means of approaching lending agencies. Lending agencies should be instructed to take proactive steps to go to powerloom units and explain to them the features and utility of lending facilities. The Committee are of the view that modernisation of powerloom sector is very essential for achieving the future target set for the textile sector and to be competitive at the**

international level particularly to defeat import penetration due to globalization. Therefore, the Committee recommend that an Integrated Scheme should be formulated for the development of the Powerloom Sector and its financial intervention should take care of needs of Powerloom units with regard to margin money, collateral, etc.

3.45 The Committee are concerned to note that the funds allocated for the Powerloom Sector could not be fully utilized as none of the projects under Group Workshed Scheme has been implemented so far. The Committee take a serious view of such lapses in the implementation of development schemes and recommend that an immediate review should be undertaken on the Scheme and its deficiencies rectified to make it implementable.

3.46 The Committee regret to note that only 30,000 looms are shuttleless out of 19,34,064 looms in the country. As present a target for only 20,000 more shuttleless looms has been fixed. Considering the size of the Powerloom Sector, the target set for modernisation of looms is very insignificant. At such a pace of modernisation, it is doubtful whether the country would be able to catch up with countries like China. The Committee, therefore, recommend that an annual target fixed for the modernisation of looms in the country should take into account the global competition and

provide necessary assistance accordingly to the powerloom sector in this regard.

Major Head : 2852
Minor Head : 13

E TECHNOLOGY UPGRADATION FUND SCHEME (TUFS)

3.47 The Government has launched "Technology Upgradation Fund Scheme (TUFS) to provide necessary impetus to the modernization of textile and Jute Industry and to enhance its viability and competitiveness in the domestic, as well as international markets. The Scheme was launched on 01.04.1999 and it would continue till 31.3.2007.

Benefits

- 5% interest reimbursement of the normal interest charged by the lending agency on rupee term loan (RTL): or
- Coverage of 5% exchange fluctuation (interest & repayment) from the base rate on foreign currency loan (FCL); or
- 15% credit linked capital subsidy for SSI textile and jute sector; or
- 20% credit linked capital subsidy for powerloom sector; or
- 5% interest reimbursement plus 10% capital subsidy for specified processing machinery.

3.48 Technology levels are benchmarked in terms of specified machinery. There is no cap on funding under the scheme. The identified sectors in the textile industry, including spinning, cotton ginning and pressing, silk reeling and twisting, wool scouring & combing, synthetic filament yarn, texturishing, crimping and twisting, manufacturing of viscose filament yarn (VFY)/viscose staple fibre (VSF), weaving/knitting including non-wovens and technical textiles, manufacturing, processing of fibres, yarns, fabrics, garments and made-ups and the jute sector are eligible to avail of these concessional loans for their technology upgradation requirements. Investments in common infrastructure or facilities by an industry association, trust or cooperative society and other investments specified are also eligible for funding under the scheme. Improved metal frame handlooms used by the handloom weavers have also been covered under the scheme.

3.49 IDBI, SIDBI and IFCI were the nodal agencies for Non-SSI textile sector, SSI textile sector and Jute sector respectively. However, in 2005, 13 additional nodal banks have also been appointed under TUFS for determining eligibility and releasing the subsidy for the cases financed by them.

3.50 During evidence, the Committee directed the Ministry to furnish State-wise details to the applications received and the amount disbursed since the launch of the scheme. The details furnished by the Ministry are as follows:-

(Rs. in crore)

Sl.No.	**State**	**No. of applications received (Sub-Total)**	**No. of applications disbursed (Sub-Total)**	**Amount**
1.	Andhra Pradesh	76	54	343.21
2.	Chandigarh	3	3	12.91
3.	Dadra Nagar Haveli	53	44	335.87
4.	Daman & Diu	13	10	14.88
5.	Delhi	67	61	131.40
6.	Gujarat	1342	1159	1257.88
7.	Haryana	225	161	167.33
8.	Himachal Pradesh	10	8	187.25
9.	Karnataka	161	124	347.79
10.	Kerala	18	15	107.68
11.	Madhya Pradesh	28	20	214.72
12.	Maharashtra	332	247	1102.28
13.	Nagaland	1	1	0.43
14.	Orissa	1	1	1.27
15.	Punjab	536	426	1168.51
16.	Rajasthan	381	291	867.41
17.	Tamil Nadu	1262	989	2910.59
18.	Uttar Pradesh	75	59	244.72

19.	West Bengal	64	50	148.73
	Total	**4648**	**3723**	**9564.86**

3.51 The Secretary, Textiles, also apprised the Committee about the performance of the scheme and the future investment, needs of the country as follows:-

> "The Scheme will be in operation for another one year, that is, upto 31 March 2007, and we are quite optimistic that an additional investment of about Rs.15,000 crore to Rs.20,000 crore will come in the last year of this Scheme. There is about Rs.50,000 crore to Rs.55,000 crore of new investment, by way of modernization, by way of plant and machinery, which will ultimately take care of the basic structural weaknesses of the textile sector as it obtains in this country…….
>
> When I say that, I mean the lack of economics of scale, the lack of updated technology, the lack of new plant and machinery, outdated systems on which they were working, new management methods, and new trained manpower. Whatever were out structural weaknesses, this Scheme is trying to improve them in a big way".

3.52 In regard, investment needs of the textile sector, the Secretary (Textiles) informed the Committee during the evidence as under:-

> "The Ministry of Textiles formulated a 'Textile Vision 2010' for this Ministry, and to work and strive for it. We have set a target for ourselves that by 2010 – looking at the potential of India—we should touch the figure of US $ 85 billion of the textile size…….Also connected with this point is the point of creating opportunities for about 12 million additional employment opportunities in this country as we work towards this target by the year 2010. I would like to state here that any 'Vision' or any programme envisages additional investments in the textile sector, and that investment

has been estimated –by the experts—to be to the tune of about Rs.1,40,000 crore by the year 2010”.

3.53 **The Committee note that 3,723 units have benefited from the Technology Upgradation Fund Scheme and an amount of Rs.9,564 crore was disbursed to them since 1999. "Textile Vision 2010" envisages additional investments in the textile sector to the tune of Rs.1,40,000 crore by the year 2010. The Committee, therefore, recommend that Technology Upgradation Fund Scheme should either be extended to the Eleventh Five Year Plan or a similar and better formulated Scheme be initiated for the next Five Year Plan to attract further investment in the textile sector.**

3.54 The Committee find that there are regional imbalances in availing TUFS. While there has been overwhelming response from the States of Gujarat and Tamil Nadu performance in the States of Punjab, Maharashtra, Rajasthan, Haryana and Karnataka is moderate. Other States, viz. Uttar Pradesh, Madhya Pradesh, West Bengal, Andhra Pradesh performed poorly. Some of the States viz., Bihar, Jharkhand, Chattisgarh, etc. do not figure in the list at all. Development of textile sector, even if it is not on an equal footing, should be encouraged in States where development is quite low at present. The Committee, therefore, urge the Ministry to take suitable steps in this regard so as to ensure proper and equal development to the possible extent by spreading the benefits available under TUFS, among all the States.

Major Head : 2852
Minor Head : 04

F. JUTE TEXTILE INDUSTRY

3.55 The Jute Industry occupies an important place in the national economy. It is one of the major industries in the eastern region, particularly in West Bengal. It supports nearly 4 million farm families, besides providing direct employment to about 2.6 lakh industrial workers and livelihood to another 1.4 lakh people in the tertiary sector and allied activities. The production process in Jute Industry goes through a variety of activities, which include cultivation of raw jute, processing of jute fibres, spinning, weaving, bleaching, dyeing, finishing and marketing of both raw jute and its finished products. The Jute Industry is labour intensive and as such its labour output ratio is also high. In spite of various difficulties faced by the industry, capacity utilization of the Industry is around 75 per cent.

3.56 In regard to the steps proposed to be taken for the development of the Jute Industry, the Secretary (Textiles) apprised the Committee as follows:-

> "The major step which has been taken in the current year that is the year which is ending today, is the declaration and adoption of the National Jute Policy. For the first time, this country has reallised the importance and critical nature of this fibre in our entire textile segment. In April 2005, the National Jute Policy was proclaimed, and that Jute Policy revolves around four major planks. One is to create a National Jute Board in the country, which can take care a holistic view of all the problems affecting this sector, and also ensure effective coordination between various organizations. The National Institute of Natural Fibre is the second plank. At the moment, we have various research organizations and jute too with us and two or three with the Ministry of Agriculture. Jute as a fibre has to be accorded its legitimate place in the textile sector and its diversification, product, development and all these things has to follow into light in the context of a global scenario. I am told, we are already exporting jute products worth about Rs.1,200 crore. Since we are the largest producer of jute in the world, Rs.1,200 crore is not a very happy situation. We need to do a lot of work in this. So, the National Institute of Natural Fibre is also a second plank of this".

3.57 Another representative of the Ministry further informed the Committee as under:-

> "The third is the Jute Technology Mission. A Jute Technology Mission like a Cotton Technology Mission will be with the Ministry of Agriculture and two with us. One will be dealing with marketing and the other will be dealing in modernization. The mission three and four is also on the verge of approval and shall be approved very shortly. It has been mentioned in the Budget Speech of the Hon'ble Minister of Finance. The Hon'ble Minister of Finance has said that whatever will be the funds requirement, he will provide it….The fourth is the Jute Museum which will be in the forefront of all the jute activities. Wherever any research, development or diversified products, it will be displayed for further publicity and the Jute Museum will also be created".

3.58 The Committee note that Jute Industry supports 4 million farm families besides providing direct employment to about 2.6 lakh industrial workers and livelihood to another 1.4 lakh people. However, actual potential of the jute sector is yet to be realized. In this regard, the Ministry has proposed four major steps, viz. creation of Natural Jute Board, setting up of National Institute of Jute Fibre, launching of Jute Technology Mission and opening a Jute Museum. Among these proposals, Jute Technology Mission is at the proposal stage for quite sometime now which speaks volumes about the sincerity of the purpose. The Committee recommend that expeditious steps should at least be taken now for launching of Technology Mission without any further delay. The urgent steps should as well be initiated for the implementation of other proposals for the development of the Jute Industry.

Major Head : 2851

G. THE HANDICRAFTS AND HANDLOOMS EXPORTS CORPORATION OF INDIA LTD.

3.59 The Handicrafts and Handlooms Exports Corporation of India Limited (HHEC) was set up in June 1962 with the twin objectives of export promotion and trade development of handicrafts and handloom products. HHEC is a two star export house engaged in the export of handicrafts and handloom products (including hand-knotted woolen carpets and ready-made garments).

3.60 The mandate/objective as per the Memorandum of Association and Articles of Association are as under:-

- To undertake exports of handicrafts, handlooms products, khadi and products of village industries from India as supplement to private voluntary effort.

- To undertake special promotional measures in countries whose import potential for Indian handicrafts products, khadi and products of village industries has not been adequately tapped.

- To trade in and carry on business in goods of the nature, which may seem to the company capable of being conveniently and profitably carried on by the company.

3.61 The Corporation in its direct commercial activities has achieved the exports of handicrafts and handlooms as per the figures given in the table below. In its commercial endeavor in the export of handicrafts and handlooms, the Corporation has been continuously developing in-house samples through artisans/weavers, organising exclusive "Stand Alone" exhibitions and also participating in trade exhibitions in India as well as abroad. The following is the performance of the HHEC in regard to export of handicrafts and handlooms:-

(Rs. in Crore)

	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
Handicrafted Studded Jewellery	18.02	28.97	49.88	33.09	28.36
Other Handicrafts	3.35	2.64	3.62	6.00	8.09
Total Handicrafts	**21.45**	**31.79**	**53.64**	**39.60**	**36.61**

Handlooms	52.47	47.03	47.50	37.62	35.11
Ready to Wear	7.91	3.98	2.69	3.66	6.46
Total Exports	**81.83**	**82.80**	**103.83**	**80.88**	**78.18**

3.62 The following types of handicrafts produced are dealt with by HHEC:

1. Art objects
2. Utility items and giftware
3. Interior items
4. Fashion accessories.

The following types of handloom/textile items are dealt by HHEC:

1. Fabrics
2. Made Ups
3. Floor coverings
4. Ready to wear

3.63 The Authorised and Paid Up Capital of the Corporation remained unchanged at Rs.29.00 crore and Rs.13.82 crore respectively during the year 2004-05. The entire Paid Up Capital has been subscribed by the President of India.

3.64 The grants received by HHEC from the Ministry of Textiles during the last five years are as under:-

(Rs. in Lakhs)

Year	**Fair & Exhibition**	**Product Development**	**Total**
2000-2001	28.12	19.06	47.18
2001-2002	70.22	17.29	87.51
2002-2003	24.42	33.11	57.53
2003-2004	25.03	-	25.03
2004-2005	5.77	-	5.77

3.65 In regard to the role played in the promotion of handicraft/handloom sector, in a written note it has been stated that:

"HHEC had, in the past, played a catalytic role in the promotion of handicraft/handloom sector. However, in the recent past, the role of HHEC as a promotional body has declined but the Corporation still continues to maintain a harmonious blend of developmental role with commercial activities".

3.66 It has been further stated that HHEC plays the role of a bench marking agency whereby the artisans get due prices for their products forcing the other exporters in the private sector to match these bench mark prices. In the absence of a Government company like HHEC, the unorganized weavers, craftsmen and artisans will suffer exploitation at the hands of the private exporters and they will become virtually daily wagers. HHEC plays the most significant role of a model development agency in creating newer markers by increasing awareness in those areas of Indian handicrafts and also taking genuine interest in the development of the artisans and providing them an exposure to international markets. Being a wholly owned Government company, HHEC is subject to fair business practices, fiscal prudence and disciplined functioning within the Government policies whereas if the field is left open to only private exporters, the credibility of Indian handicrafts and handloom products will suffer due to unscrupulous practices adopted by some of the private exporters.

3.67 During the financial year 2002-03, the disinvestments commission decided to study the possibility of disinvestments of HHEC and accordingly appointed M/s ICRA Limited as advisor for the same. In May 2003, after receipt of the analysis report from M/s ICRA Limited, the Disinvestments Commission reviewed the same and has recommended that the Government of India should disinvest its entire share holding to a strategic buyer through the competitive bidding route. Ministry of Disinvestment has sought the comments of the Ministry of Textiles on the recommendation made by the Disinvestment Commission. The Ministry of Textiles endorsed the views of Disinvestment Commission. The Ministry of Disinvestment has, in April 2004, informed that New Government shall take decision regarding disinvestment of the Corporation.

3.68 When asked about its reaction on the issue of disinvestments, HHEC in a written reply stated as follows:-

"Disinvesting HHEC may fetch an insignificant amount, which will hardly contribute to the Government exchequer but to develop another such Corporation, it takes decades of hard work and vision apart from investment of much more money. Strengthening HHEC, as it exists now, will not put any extra burden on the Government except routing of a fraction of its developmental grants already available. For the above reasons, nurturing HHEC means safeguarding the interests of a large number of artisans, weavers and craftsmen and their families who are among weakest of the weaker sections of the society".

3.69 When asked to justify its stand on 'Disinvestments', HHEC in a written reply has stated as under:-

"HHEC has been consistently earning operating profits since 1997-98 (last 7 years) and the financial achievements are as under:-

(i) Total Direct Tax (Income Tax including Dividend Tax) paid to Government of India Since 1997-98 is Rs.296.35 lakhs.

(ii) Total dividend paid to Government of India for the last seven years is Rs.1107.52 lakhs.

(iii) Total Reserve and Sur;us as on 31.3.2005 is Rs.1058.89 lakhs as against accumulated loss of Rs.19.43 lakhs as on 31.3.1997.

(iv) Net worth as on 31.3.2005 is Rs.24.35 crore as against Rs.10.63 crore as on 31.3.1997.

(v) Cumulative contribution to Government Exchequers from 1997-98 to 2004-05 is Rs.208.24 crore.

3.70 The Committee note that the paid up capital of the Handicrafts and Handlooms Exports Corporation is only Rs.13.82 crore which is subscribed by the Government. It has been informed that Corporation is earning operating profits since 1997-98 and has made a cumulative contribution of Rs.208.24 crore to the Exchequer from 1997-98 to 2004-05. The Committee were informed that there is a move to disinvest HHEC. The performance of HHEC with regard to export of handicrafts and handlooms has declined from Rs.103.83 crore in 2002-2003 to Rs.78.18 crore in the year 2004-2005. The Committee are of the opinion that the proposal of disinvestment of HHEC may be the one reason behind the dismal export performance and expect the Government to take utmost care to put a check on spreading of rumours regarding disinvestment of HHEC particularly amongst the foreign buyers so that the financial position of the Corporation does not suffer for want of fresh orders. The Committee feel that besides checking negative publicity, the Government should act proactively in publicizing the factual position from time to time. The Committee strongly feel that disinvestment of the Corporation will jeopardize the interests of a large number of artisans, weavers and craftsmen and their families who are generally from weaker sections of the society. Moreover, the logic of selling

such a profit-making small Public Sector Undertaking is beyond the comprehension of the Committee since it would in no way benefit the Government. The Committee, therefore, recommend that the Government should give up the plans to disinvest HHEC and instead take steps to strengthen the organization so as to protect the interests of poor artisans, weavers, etc. The steps taken in this regard should be intimated to the Committee within a period of three months positively.

Major Head : 2852
Minor Head : 260031

H. CENTRAL COTTAGE INDUSTRIES CORPORATION OF INDIA LIMITED, NEW DELHI

3.71 The Central Cottage Industries Emporium was established in Delhi in 1952, under the management of the Indian Cooperativew Union, and was later on taken over by Central Cottage Industries Association, in 1964. The Central Cottage Industries Corporation of India Limited was incorporated on 4.2.1976 as a wholly owned subsdiary of the Handicrafts and Handlooms exports Corporation of India Limited. With effect from 27.3.1991, CCIC ceased to be a subsidiary of HHEC of India Ltd., and was brought under the administrative control of Ministry of Textiles, as an independent public sector undertaking.

3.72 The main objective of CCIC is to be a dealer, exporter, manufacturer and agent of quality Indian handicrafts and handlooms, and to develop markets for these products in India and aboard. The authorized capital of the Corporation is Rs.1200 lakhs and the paid-up capital is Rs.1085 lakhs. The turnover of the Corporation for 2004-05 was Rs.6122.38 lakhs as against Rs.l5841.67 lakhs in the previous year. The Gross Profit during the year 2004-05 increased from Rs.2406.78 lakhs in the previous year to Rs.2566.34 lakhs, thereby registering an increase of 6.63%.

3.73 The Corporation has six showrooms. These are situated in Delhi, Kolkata, Mumbai, Bangalore, Secunderabad and Chennai. Besides, CCIC has a franchise outlet in Gurgaon and Goa. An All India Advertisement was issued by CCIC to invite offer to open franchise showrooms in various cities of the country. CCIC has so far received 11 responses from cities such as Goa, Mumbai, Agra, Chennai, Ahmedabad, Bangalore, Pune, Ambala, New Delhi against the advertisement received in the month of February 2006. These offers are being considered by CCIC.

3.74 When asked the reasons for opening franchise showrooms, in a written reply it has been stated that :

> "CCIC is trying to combine its strengths in the area of merchandising with the strengths of private entrepreneurs in the area of marketing".

3.75 When it was further asked to private participation in promotion of sale of handicrafts as their main motive may be profit rather than looking after the interests of artisans, it was stated in a written reply that:

> "the procurement/purchase and fixing of selling price of products to be sold through franchise showrooms would be done by CCIC and not by franchisees, therefore, the craftsmen/artisans would get genuine prices for their products. Additional sales through franchise showrooms will result in an expanding market of crafts produced by craftsmen/artisans".

3.76 Since the goods sold by CCIC been the mark of reliability, it was asked whether the Government provide any financial support to CCIC to open new branches particularly in tourist centers such as Varanasi, Bhubaneshwar, Kanyakumari, Agra etc. In a written reply, the Ministry stated that :

> "The CCIC is Public Sector Undertaking and has the autonomy to decide whether to open new branches or not, keeping in view its overall business plan. The Government is open to the idea of opening of more outlets by CCIC, if they are financially and commercially viable. As part of its policy, the CCIC is expanding its market operations by opening franchise showrooms in major/tourist centers".

3.77 The Committee visited CCIC Emporium at Mumbai on 14th February 2006 during its study tour to Mumbai. The Committee were informed that the Mumbai Showroom premises is on rent and the landlord had filed a case for eviction which was awarded in his favour. CCIC filed an appeal in the higher Court against the decision of the court and the same is pending. The landlord has raised demand for increase of rent which has accumulated to Rs. 2211.22 lakhs till 31.03.05 out of which CCIC has provided Rs. 129.17 lakhs in its accounts up to 31.03.2005 on the basis of the report from Government approved valuer.

3.78 **The Committee note that CCIC has six showrooms at present at Delhi, Kolkata, Mumbai, Bangalore, Secunderabad and Chennai. CCIC also propose to open franchise showrooms in various cities and an advertisement has been given for the purpose. The Committee are of the view that private participation in the marketing of handicrafts may affect the interests of artisans as profit would be their main motive rather than promotion of Handicrafts. Moreover, the handicrafts being sold by CCIC bear a mark of authenticity and reliability. The Committee feel that the image of CCIC may be affected by opening franchise showrooms. The Committee, therefore, recommend that the Government should examine the feasibility of providing financial assistance to CCIC to open more showrooms of their own in major cities, tourist/pilgrimage centres, major airports, railway stations and bus terminals in the country. Steps should also be taken to utilize the occasions like 2010 Commonwealth Games and other International Events for the sale promotion by CCIC. To achieve the above objective, the Committee are of the view that industrial sheds available with CCIC at Noida, which is in the vicinity of 2010 Commonwealth Games Complex, may be utilized as retail showroom to attract sportspersons and other visitors/tourists coming to Delhi. Hence, the Committee recommend that the Ministry should take up the issue**

with the Government of Uttar Pradesh in the right earnest so as to accomplish the task well before the beginning of the event.

3.79 During the study visit of the Committee to CCIC at Mumbai, it was learnt that its showroom at Mumbai has been functioning from a rented accommodation. The owner of the building wants to get the accommodation vacated by CCIC despite the fact that a huge amount is being deposited/given as rent. The matter has been taken to Court by the owner of the building. CCIC has requested the Ministry to take up the matter with the other Ministries like Defence, Civil Aviation, Railways etc. to provide them either a piece of land or any building owned by them in a prime location at Mumbai to set up a showroom and thus facilitate easy access of tourists and others. The Committee strongly urge upon the Government to take up the issue on a priority basis with the other Ministries to arrange a new accommodation for the Mumbai branch so that its financial position does not suffer any more.

NEW DELHI;

10 May, 2006
20 Vaisakha, 1928 (Saka)

SURAVARAM SUDHAKAR REDDY
Chairman
Standing Committee on Labour

ANNEXURE

MINUTES OF THE SEVENTEENTH SITTING OF THE STANDING COMMITTEE ON LABOUR HELD ON WEDNESDAY, 10 MAY 2006.

The Committee met from 1500 hours to 1730 hours in Committee Room `C', Parliament House Annexe, New Delhi.

PRESENT

Shri Suravaram Sudhakar Reddy – CHAIRMAN

MEMBERS

LOK SABHA

2. Shri Santasri Chatterjee
3. Shri Thawar Chand Gehlot
4. Dr. Satyanarayan Jatiya
5. Shri Lal Mani Prasad
6. Smt. C.S. Sujatha
7. Shri Parasnath Yadav

RAJYA SABHA

8. Shri Gandhi Azad
9. Ms. Pramila Bohidar
10. Shri K. Chandran Pillai

SECRETARIAT

1.	Shri N.K. Sapra	-	Joint Secretary
2.	Shri R.S. Misra	-	Deputy Secretary
3.	Shri N. K. Pandey	-	Under Secretary
4.	Shri S.K. Saxena	-	Assistant Director

2. At the outset, the Hon'ble Chairman welcomed the Members and apprised them about the two Draft Reports on the Demands-for-Grants for the year 2006-2007 of the Ministry of Labour and Employment and the Ministry of Textiles.

3. XX XX XX

4. The Committee then considered the draft Fourteenth Report on Demands for Grants for the year 2006-2007 of the Ministry of Textiles and adopted the same with the following modifications:

(i) Page No. 18, Para 3.16, line 4 for the words "without further loss of time" **substitute** **"immediately but within three months positively";**

(ii) Page No. 18, Para 3.16, at the end of the Para, **add "The steps taken and progress achieved should be intimated to the Committee within a period of three months".**

(iii) Page No. 45, Para 3.70 has been amended as follows:-

"The Committee note that the paid up capital of the Handicrafts and Handlooms Exports Corporation is only Rs.13.82 crore which is subscribed by the Government. It has been informed that Corporation is earning operating profits since 1997-98 and has made a cumulative contribution of Rs.208.24 crore to the Exchequer from 1997-98 to 2004-05. The Committee were informed that there is a move to disinvest HHEC. The performance of HHEC with regard to export of handicrafts and handlooms has declined from Rs.103.83 crore in 2002-2003 to Rs.78.18 crore in the year 2004-2005. The Committee are of the opinion that the proposal of disinvestment of HHEC may be the one reason behind the dismal export performance and expect the Government to take utmost care to put a check on spreading of rumours regarding disinvestment of HHEC particularly amongst the foreign buyers so that the financial position of the Corporation does not suffer for want of fresh orders. The Committee feel that besides checking negative publicity, the Government should act proactively in publicizing the factual position from time to time. The Committee strongly feel that disinvestment of the Corporation will jeopardize the interests of a large number of artisans, weavers and craftsmen and their families who are generally from weaker sections of the society. Moreover, the logic of selling such a profit making small Public Sector Undertaking is beyond the comprehension of the Committee since it would in no way benefit the Government. The Committee, therefore, recommend that the Government should give up the plans to disinvest HHEC and instead take steps to strengthen the organization so as to protect

the interests of poor artisans, weavers, etc. The steps taken in this regard should be intimated to the Committee within a period of three months positively".

(iv) Page No.45, Para 3.71 deleted.

5. The Committee authorised the Chairman to finalise the above Reports and present the same to Parliament on their behalf.

The Committee then adjourned.

MINUTES OF THE FIFTEENTH SITTING OF THE STANDING COMMITTEE ON LABOUR HELD ON FRIDAY, 31 MARCH 2006

The Committee met from 1130 hours to 1430 hours in Committee Room `E', Parliament House Annexe, New Delhi.

PRESENT

Shri Suravaram Sudhakar Reddy – CHAIRMAN

MEMBERS

LOK SABHA

2. Shri Furkan Ansari
3. Shri Joachim Baxla
4. Shri Santasri Chatterjee
5. Shri Sukhdev Singh Dhindsa
6. Shri Thawar Chand Gehlot
7. Smt. Sushila Kerketta
8. Shri Mohan Rawale
9. Smt. C.S. Sujatha
10. Shri Parasnath Yadav

RAJYA SABHA

11. Shri Lekhraj Bachani
12. Shri Rudra Narayan Pany
13. Shri K. Chandran Pillai

SECRETARIAT

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2.	Shri R.S. Misra	-	Deputy Secretary
3.	Shri N. K. Pandey	-	Under Secretary
4.	Shri S.K. Saxena	-	Assistant Director

REPRESENTATIVES OF MINISTRY OF TEXTILES

Sl.No	**Name of the Officer**	Designation
1.	Shri D.P. Singh	Secretary
2.	Mrs. Asha Swarup	AS&FA
3.	Shri B.K. Sinha	DC (Handlooms)
4.	Shri J.K. Sharma	Joint Secretary
5.	Shri B.P. Singh	Joint Secretary
6.	Shri Sudripta Roy	Joint Secretary
7.	Shri Qaiser Shamim,	Joint Secretary
8.	Dr. (Ms.) S. Rohini	Economic Advisor
9.	Shri Sanjay Agarwal	DC (Handicrafts)
10.	Shri S. Majumdar	Jute Commissioner
11.	Shri J.N. Singh	Textile Commissioner
12.	Dr. H. Bhakher	Member Secretary (CSB)
13.	Shri K.R. Pillai	CMD (NTC)
14.	Shri Vivek Joshi	Director
15.	Shri Shashi Bhushan	Director
16.	Shri R.C. Saini	Deputy Secretary
17.	Shri Manoj Singh	Addl. DC (Handlooms)
18.	Shri K.C. Sethi	Budget Consultant
19.	Ms. Gauri Kumar	DG, NIFT

2. At the outset, the Hon'ble Chairman welcomed the Members of the Committee to the sitting and informed them that three Members of the Committee, viz. Sarvashri Lekhraj Bachani, Rudra Narayan Pany and Jayanta Bhattacharya are retiring from Rajya Sabha. Hon'ble Chairman placed on record his appreciation for the services rendered by them to the Committee.

Hon'ble Chairman then welcomed Shri D.P. Singh, Secretary and other officials of the Ministry of Textiles and asked them to brief the Members about the Demands for Grants, 2006-2007 of the Ministry of Textiles and the Schemes and Programmes implemented by the Ministry in terms of allocations made, the expenditure incurred thereon during 2005-2006.

3. The Committee then took up evidence of the representatives of the Ministry of Textiles. The important topics discussed in the meeting included Technology Upgradation Fund Scheme, Textile Workers Rehabilitation Fund Scheme, National Textile Corporation, National Jute Policy, Powerlooms, etc.

4. The Secretary and other officials of the Ministry replied to the queries raised by the Members. The Chairman directed the Secretary to send written replies to the Supplementary List of Points within a week.

5. The Chairman thanked the Secretary and other officials for giving valuable information to the Committee on the Demands for Grants (2006-07).

A verbatim record of the evidence was kept.

<u>The Committee then adjourned.</u>

MINUTES OF THE SEVENTEENTH SITTING OF THE STANDING COMMITTEE ON LABOUR HELD ON WEDNESDAY, 10 MAY 2006.

The Committee met from 1500 hours to 1730 hours in Committee Room `C', Parliament House Annexe, New Delhi.

PRESENT

Shri Suravaram Sudhakar Reddy – CHAIRMAN

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7. Shri Thawar Chand Gehlot
8. Dr. Satyanarayan Jatiya
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