

11

STANDING COMMITTEE ON LABOUR

(2009-2010)

FIFTEENTH LOK SABHA

MINISTRY OF TEXTILES

DEMAND FOR GRANTS

(2010-11)

ELEVENTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

April, 2010/Chaitra, 1932 (Saka)

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(2009-2010)

(FIFTEENTH LOK SABHA)

MINISTRY OF TEXTILES

DEMAND FOR GRANTS

(2010-11)

Presented to Lok Sabha on 22.04.2010

Laid in Rajya Sabha on 22.04.2010



LOK SABHA SECRETARIAT

NEW DELHI

April, 2010/Chaitra, 1932 (Saka)

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APPENDIX

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COMPOSITION OF THE STANDING COMMITTEE ON LABOUR (2009-10)

SHRI HEMANAND BISWAL-CHAIRMAN

MEMBERS

LOK SABHA

2. Shri M. Anandan
3. Shri P. Balram
4. Shri Shafiqur Rahman Barq
5. Shri Sudarshan Bhagat
6. Shri Hassan Khan
7. Shri Kaushalendra Kumar
8. Shri P. Lingam
9. Shri Hari Manjhi
10. Shri P.R. Natarajan
11. Smt. Mausam Noor
12. Shri S. Pakkappa
13. Shri Ramkishun
14. Shri Mahendra Kumar Roy
15. Shri Chandu Lal Sahu
16. Shri Murari Lal Singh
- *** 17. Shri Raj Babbar
- ***** 18. Dr. Kakoli Ghosh Dastidar
- ***** 19. Shri Paban Singh Ghatowar
20. Vacant
21. Vacant

RAJYA SABHA

22. Shri G. Sanjeeva Reddy
23. Shri Rudra Narayan Pany
- ** 24. Shri Pyarelal Khandelwal
25. Shri Rajaram
26. Smt. Renubala Pradhan
27. Shri G.N. Ratanpuri
- * 28. Shri Mohammad Adeeb
- **** 29. Shri Praveen Rashtrapal
30. Vacant
31. Vacant

-
- * Changed the nomination from Committee on Labour to Committee on Commerce w.e.f. 17th September, 2009.
 - ** Expired on 6th October, 2009.
 - *** Nominated w.e.f. 3rd December, 2009.
 - **** Nominated w.e.f. 31st December, 2009.
 - ***** Nominated w.ef 11th January, 2010.
 - ***** Nominated w.ef 26th February, 2010.

SECRETARIAT

- | | | |
|------------------------|---|----------------------------|
| 1. Shri Devender Singh | - | Joint Secretary |
| 2. Shri B.S. Dahiya | - | Director |
| 3. Shri Ashok Sajwan | - | Additional Director |
| 4. Shri Suresh Kumar | - | Senior Executive Assistant |

INTRODUCTION

I, the Chairman of the Standing Committee on Labour (2009-10) having been authorized by the Committee to submit the Report on their behalf, present this Eleventh Report of the Ministry of Textiles on Demands for Grants for the year 2010-2011.

2. The Committee considered the Demands for Grants pertaining to the Ministry of Textiles for the year 2010-2011 which were laid on the Table of the House on 10.03.2010. Thereafter, the Committee took evidence of the representatives of the Ministry of Textiles on 29.03.2010. The Committee considered and adopted the Report at their sitting held on 16.04.2010.

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. The Committee would also like to place on record their deep sense of appreciation of the commitment, dedication and valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold type in the body of the Report and have also been reproduced in a consolidated form in Appendix of the Report.

New Delhi;
16 April, 2010
26 Chaitra, 1932 (Saka)

HEMANAND BISWAL
CHAIRMAN
STANDING COMMITTEE ON LABOUR

CHAPTER-I

IMPLEMENTATION OF THE COMMITTEE'S RECOMMENDATIONS

1.1 The Fourth Report of the Standing Committee on Labour on Demands for Grants (2009-10) of the Ministry of Textiles was presented to the House on 17th December, 2010. The Report contained 14 recommendations/observations.

1.2 The Ministry of Textiles was required to furnish Action Taken Replies to recommendations/observations contained in the Fourth Report latest by 17th March, 2010 (within three months from the date of presentation of the Report in the House) which the Ministry failed to furnish.

1.3 The Committee note that the Ministry have failed to furnish the action taken notes even after the lapse of prescribed period of three months from the date of presentation of Report. The Committee take an adverse note of this and desire that action taken notes on the Fourth Report of the Committee be furnished expeditiously. The reasons for the inordinate delay may also be furnished to the Committee for their consideration.

CHAPTER-II

Introductory

The Ministry of Textiles came into independent existence in 1989 after its separation from the Ministry of Commerce. Textile Industry occupies a unique position in our economy and psyche. The fate of rural economy and the fortune of major fibre crops and crafts-cotton, wool, silk, handicrafts and handlooms, which employ millions of farmers and craft persons in rural and semi-urban areas, depend on textile industry. Textile sector provides employment next only to agriculture.

2.1 The main functions and activities of the Ministry of Textiles are policy formulation and planning, development, export promotion and trade regulation of the textile industry. The Ministry formulates 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.

2.3. The 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.

2.4. 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.

2.5. The principal functional areas of the Ministry cover the following:-

- The Textiles Policy & Coordination.
- The man-made Fibre/Filament Yarn Industry.
- The Cotton Textiles Industry.
- The Jute Industry.
- The Sericulture and Silk Textiles Industry.
- The Wool & Woollen Textiles Industry.
- The Decentralised Powerlooms Sector.
- The Exports Promotion

- Handicrafts
- Handlooms
- The Planning & Economic Analysis.
- The Integrated Finance Matters.
- The Information Technology

2.6. The Demands for Grants of the Ministry of Textiles for the year 2010-2011 are given under Demand No. 92. The detailed Demands for Grants of the Ministry were laid on the Table of Lok Sabha on 10th March, 2010. The following are the major heads under which the Demands for Grants of the Ministry have been given:-

| | | |
|------|---|--|
| 3451 | - | Secretarial Economic Services |
| 2552 | - | North-Eastern Areas |
| 2851 | - | Village and Small Industries |
| 2852 | - | Industries |
| 3453 | - | Foreign Trade and Export Promotion |
| 3601 | - | Grants-in-aid to State Governments |
| 3602 | - | Grants-in-aid to Union Territory Governments |
| 4552 | - | Capital Outlay on North-Eastern Areas |
| 4851 | - | Capital outlay on Village and Small Industries |
| 4860 | - | Capital Outlay on Consumer Industries |
| 6860 | - | Loans to Public Sector and other Undertakings |

2.7. In order to efficiently carry out the task of implementing various schemes, the Ministry has the following two attached offices, two subordinate offices, six advisory boards, three registered societies and six statutory bodies under it:-

Attached offices:-

- (a) Office of the Development Commissioner for Handlooms
- (b) Office of the Development Commissioner for Handicrafts

Subordinate offices:-

- (a) Office of the Textiles Commissioner
- (b) Office of the Jute Commissioner

Advisory Boards:-

- (a) All India Handicrafts Board
- (b) All India Powerlooms Board
- (c) All India Handloom Board
- (d) Cotton Advisory Board
- (e) Jute Advisory Board
- (f) Coordination Council of Textiles Research Associations (TRAs)

Registered Societies:-

- (a) Central Wool Development Board (CWDB)
- (b) National Centre for Jute Diversification (NCJD)
- (c) Sardar Vallabhbhai Patel Institute of Textiles Management (SVPITM)

Statutory Bodies:-

- (a) Jute Manufactures Development Council (JMDC)
- (b) Central Silk Board (CSB)
- (c) Textiles Committee
- (d) Commissioner of Payments
- (e) National Institute of Fashion Technology (NIFT)
- (f) National Jute Board

2.8. The Committee have attempted to scrutinize the Demands for Grants for the year 2010-2011 of the Ministry to the extent possible and the findings have been illustrated in the ensuing Chapters.

CHAPTER-III

REPORT

DEMANDS FOR GRANTS

A. GENERAL PERFORMANCE

3.1 Plan Schemes/Programmes of the Ministry have been grouped under two categories, viz. the Village & Small Enterprises (VSE) and Industry & Minerals (I&M). The Ministry have been allocated an amount of Rs. 4,725 crore as plan outlay for the year 2010-2011.

3.2 The details of budgetary allocations, revised allocations and actual expenditure incurred by the Ministry under plan head, during the first three years of 11th plan period are as under:

PLAN

| Sl.No. | Year | BE | RE | Actual Expenditure |
|---------------|-------------|-----------|-----------|---------------------------|
| 1. | 2007-08 | 2243.00 | 2323.00 | 2214.66 |
| 2. | 2008-09 | 2500.00 | 4092.32 | 3824.78 |
| 3. | 2009-10 | 4500.00 | 4500.00 | 4210.94 |
| 4. | 2010-11 | 4725.00 | - | - |

3.3 The above table shows that the Budget Estimate (BE) for the Plan Schemes of the Ministry for the year 2009-10 was Rs. 4,500 crore. The actual expenditure has been Rs. 4210.94 crore (Provisional). An amount of Rs.289.06 crore remained un-utilized during the annual plan 2009-10.

3.4 The statement showing physical and financial targets and achievements during the year 2009-10 and the expenditure incurred, scheme-wise, as furnished by the Ministry are in **Annexure-I**.

3.5 The Committee observe that the Ministry have failed to utilize the allocated funds during each of the last three years. Regarding reasons for under utilization of plan funds, the Ministry repeatedly stated during 2007-08 and 2008-09 that adequate proposals/justified proposals were not received under the Schemes like TUFS, SITP, TMC etc. from North-Eastern region. In the year 2009-10 also the Ministry have failed to implement the flagship schemes in North-Eastern region which has resulted in unspent amount of Rs.239.57 crore. The Ministry also surrendered Rs.49.49 crore under various schemes in rest of the country during this period.

3.6 As regards the reasons for the unspent funds, the Ministry stated that in spite of their making concerted efforts for increasing plan expenditure in the North East States, they were finding it difficult to incur any expenditure on TUFS, SITP, Technology Mission on Cotton etc. due to lack of demand for assistance under these Schemes.

Whereas the unspent balance of Rs.49.49 crore for rest of India, the shortfall is on account of non-receipt of adequate proposals from the State Governments, non – provision of matching allocation (10 per cent) by the State Government in respect of Centrally Sponsored Schemes and non- submission of utilization certificates etc.

3.7 The Scheme-wise plan expenditure in North Eastern region for the year 2009-10 is given below:

(Rs in crore)

| Sl. No. | Sector | 2009-10 | | | |
|---------|--|------------|-------------|-------------|-------------------|
| | | (BE) Total | NER | | |
| | | | Outlay (BE) | Outlay (RE) | Exp. (31.03.10) P |
| 1 | 2 | 3 | 4 | 5 | 6 |
| 1 | Handlooms | 340.00 | 85.00 | 85.00 | 76.09 |
| 2 | Sericulture | 115.00 | 17.50 | 47.90 | 47.90 |
| 3 | Handicrafts | 220.00 | 54.00 | 55.66 | 49.69 |
| 4 | Mega Clusters | 50.00 | 5.00 | 5.00 | 1.50 |
| 5 | Jute Technology Mission | 70.00 | 8.00 | 8.00 | 8.00 |
| 6 | Cotton Technology Mission | 60.00 | 10.00 | 10.00 | |
| 7 | Scheme for Integrated Textile Parks | 397.00 | 20.00 | 20.00 | |
| 8 | TUFS | 3140.00 | 250.00 | 191.19 | |
| 9 | NIFT | 32.25 | 0.50 | 27.25 | 27.25 |
| 10 | Others | 75.75 | | | |
| | Grand Total | 4500.00 | 450.00 | 450.00 | 210.43 |

P: Provisional

: Based on releases from PAO

Plan expenditure during four quarters of 2009-10

3.8 The details of the expenditure, under the plan schemes, in each of the four quarters of 2009-10 are as under:

| Quarter | Quarter-wise expenditure | % of expenditure |
|-----------------------------|---------------------------------|-------------------------|
| Quarter I | 690.52 | 15.34 |
| Quarter II | 2403.25 | 53.40 |
| Quarter III | 321.88 | 7.15 |
| Quarter IV (Provisional) | 404.80 | 10.00 |

3.9 As per the Ministry's reply, the monitoring mechanism for regular review and even distribution of plan funds and the steps taken to evenly spread the expenditure of funds during every quarter of the year are as under:-

(a) Along with the progress of physical and financial targets of the schemes, the expenditure is regularly monitored in the weekly Senior Officers' Meeting (SOM) chaired by Secretary (Textiles) & in-house review meetings for the various schemes.

(b) These meetings are in addition to various fora at which the review of the Plan schemes is undertaken. For example, periodical review reports are furnished to the Planning Commission. Further, Planning Commission takes the Performance Review Meeting on half-yearly and yearly basis of the various schemes being implemented by the Ministry

of Textiles. In such meetings, representatives from State Governments and implementing agencies are also called for discussions.

(c)An online project proposal monitoring system has been introduced for the TUFs. The computerized monitoring mechanism with online connectivity from the nodal banks to the Textile Commissioner's Office has been set up to maintain information in respect of all beneficiaries to facilitate efficient monitoring of disbursement of loans by banks as well as subsidy by Government to individual units.

(d)Efforts are also being made for timely submission of project proposals of schemes wherever required to ensure timely and even spending of funds.

(e)Implementation of projects sanctioned under different schemes is being regularly monitored. Field officers are being instructed to increase the pace of inspections for effective implementation of schemes and based on their reports, grants are released or curtailed'.

3.10 In response to a query regarding amending the criteria under the Schemes for which there are no takers in North-Eastern region, the Ministry stated that:

'TUFs is not a region specific scheme. The benefits under the scheme can be availed by the eligible textile units across the country including North Eastern States. The benefits available under the scheme are credit linked. The Entrepreneur has to submit his project proposal to the lending bank and get it approved. Once the proposal is approved and the loan amount is released by the bank, the interest subsidy is reimbursed to the bank by the ministry. So far only one textile unit in Nagaland has made an investment of Rs.1.57 crore availing benefits under TUFs. The Scheme for Integrated Textile Parks (SITP) was initially

approved in July 2005. No project proposal from the North Eastern Region (NER) was received during the 10th Plan period. To encourage setting up of Textiles Park in NER, assistance under the SITP has been increased to 90% (as against the normal rate of assistance of 40%) subject to the limit of Rs.40 crore for the first 2 projects in NER and Jammu & Kashmir. The rate of assistance was modified to encourage setting up of Textiles Park in NER. With assistance of 90% of the project cost, the SPV has to bear only 10% of the project cost, which also includes the land cost.'

3.11 In response to another query regarding reasons for uneven distribution of plan funds during the four quarters of the year 2009-10, when a monitoring mechanism is already in place, the Ministry stated that:

'The plan expenditure could not be spread evenly in all four quarters because of various reasons such as non-receipt of bills during the first quarter, delay in approval of schemes, restrictions on advance payments etc.'

Non-Plan Expenditure

3.12 The table furnished by the Ministry in respect of non-plan expenditure for the first three years of the 11th Plan, is as under:

(In Rs crore)

| Year | Budget Estimates | Revised Estimates | Actual Expenditure |
|-------------|-------------------------|--------------------------|---------------------------|
| 2007-2008 | 893.68 | 813.68 | 724.39 |
| 2008-2009 | 823.51 | 1555.58 | 1046.68 |
| 2009-2010 | 898.00 | 1412.42 | 1163.97 (upto 22.3.2010) |
| 2010-2011 | 883.08 | - | - |

3.13 A glance of the above table reveals that the B.E. for the year 2009-10 under non-plan expenditure was Rs. 898.00 crore, which was increased to 1412.42 crore at RE stage, whereas the actual expenditure has been 1163.97 crore only (upto 22.3.2010). Therefore, an amount of Rs. 248.45 crore remained unspent during the said financial year.

3.14 As regards reasons for under-utilization of non-plan funds, the Ministry submitted that:

‘The pending amount will be utilized in loans to National Jute Manufacturers Corporation, Handlooms, Handicrafts, Textile Workers Rehabilitation Scheme etc. Certain procedural formalities are inevitable. These are taking time due to various administrative reasons. Most of the funds have since been released.’

Sale of NTC Land:

3.15 The Committee noticed in the audit para pertaining to the Ministry that the properties of NTC mills were sold below registration/circle rates which resulted in loss of opportunity to earn Rs.1043 crore in six cases. In another case, loss of Rs.185.10 crore was incurred due to certain irregularities in tender documents.

3.16 The facts as mentioned in the above para are not in concurrence with the claim of the Ministry (as stated in their outcome budget 2010-11) that the sale of NTC assets was carried out in transparent and professional manner.

3.17 When the Committee desired to know the facts of the matter, the Secretary, during the course of evidence submitted as under:

‘Relating to NTC disposal process and the three events wherein a loss of Rs.185 crore was mentioned by the CAG in its report, I have already been examined by the Committee on Public Undertakings on two different occasions on the fact relating to the mode of disposal of the National Textile Corporation land, the norms of the BIFR therein and the appraisal of the CAG. I know that these contain three sites for which there would be certain level of misunderstanding regarding the distance from the main road, etc. Sir, I would like to beg leave from Hon’ble Chairman for providing further details of these three points that I am aware...’

UTILIZATION CERTIFICATES:

3.18 The details of outstanding utilization certificates as on 31st December, 2009, as furnished by the Ministry are as under: -

| Name of the Ministry/ Department sanctioning the grants-in-aid | Year of Sanction of grant | Due | | Utilization Certificates received | | Outstanding | |
|---|---------------------------|-----|---------|-----------------------------------|---------|-------------|------------------|
| | | No. | Amount | No. | Amount | No. | Amount (in lakh) |
| Ministry of Textiles | 1978-79 | 303 | 1204.75 | 293 | 1159.92 | 10 | 44.83 |
| | 1979-80 | 314 | 1248.74 | 312 | 1237.74 | 2 | 11.00 |
| | 1980-81 | 166 | 646.77 | 163 | 642.89 | 3 | 3.88 |
| | 1981-82 | 172 | 677.83 | 171 | 677.43 | 1 | 0.40 |
| | 1982-83 | 194 | 752.76 | 190 | 750.74 | 4 | 2.02 |
| | 1984-85 | 233 | 912.70 | 231 | 911.82 | 1 | 0.65 |
| | 1985-86 | 233 | 913.05 | 230 | 910.9 | 3 | 2.15 |
| | 1988-89 | 252 | 1002.57 | 251 | 1002.32 | 1 | 0.25 |
| | 1989-90 | 283 | 1105.05 | 281 | 1103.55 | 2 | 1.5 |
| | 1990-91 | 354 | 1418.00 | 354 | 1418 | 0 | 0 |
| | 1991-92 | 412 | 1639.52 | 409 | 1632.05 | 3 | 7.47 |
| | 1992-93 | 472 | 1873.60 | 463 | 1852.89 | 7 | 8.85 |
| | 1993-94 | 590 | 2338.99 | 581 | 2243.88 | 8 | 77.11 |
| | 1994-95 | 610 | 2341.06 | 579 | 2314.79 | 31 | 26.27 |
| | 1995-96 | 617 | 2562.43 | 570 | 2332.96 | 47 | 229.47 |
| | 1996-97 | 556 | 2207.68 | 540 | 2155.79 | 15 | 41.11 |
| | 1997-98 | 608 | 2414.14 | 591 | 2371.51 | 15 | 35.46 |

| | | | | | | | |
|--------------|-----------|--------------|------------------|--------------|-----------------|-------------|-----------------|
| | 1998-99 | 463 | 1842.53 | 452 | 1811.29 | 10 | 26.74 |
| | 1999-2000 | 678 | 20342.98 | 650 | 20216.23 | 28 | 126.75 |
| | 2000-2001 | 622 | 15835.21 | 593 | 15745.27 | 28 | 72.44 |
| | 2001-2002 | 724 | 28514.04 | 693 | 28466.14 | 31 | 47.9 |
| | 2002-2003 | 865 | 57139.66 | 822 | 57051.74 | 43 | 87.92 |
| | 2003-2004 | 1067 | 73804.22 | 987 | 73204.74 | 80 | 599.48 |
| | 2004-2005 | 1084 | 74403.66 | 924 | 72654.41 | 148 | 1496.04 |
| | 2005-2006 | 1525 | 16761.63 | 1286 | 14094.83 | 203 | 2284.73 |
| | 2006-2007 | 2512 | 16139.99 | 2243 | 12026.55 | 221 | 3259.09 |
| | 2007-2008 | 2486 | 10382.69 | 1567 | 4176.02 | 568 | 4236.03 |
| Total | | 18395 | 340426.25 | 16426 | 324166.4 | 1513 | 12729.57 |

3.19 From the above, it is observed that as many as 1513 utilization certificates involving an amount of Rs. 12729.57 lakhs as on 31st December, 2009 are outstanding. When asked action taken against the defaulting organizations, the Ministry replied as under:

“Most of the UCs are pending with O/o the DC(Handloom) and DC(Handicrafts). The UCs for the year 2007-08 have become due only in the current financial year i.e.2009-10. These are now being settled. Thus, there is no increase in number of defaulters. Further, Handloom/Handicraft sectors are unorganized sector and delay by the implementing agencies in preparing their accounts timely, causes delay in submission of accounts. However, continuous efforts are being made by the Ministry to settle the accounts as well as pending UCs. The remedial/punitive action against defaulters include freeze on release of further grant under the scheme in which UCs are pending ,blacklisting and other such measures.”

3.20 In response to a query as to why the default cases which are pending from 1978-79 till 2009-10, have not been settled, the Ministry stated that “Continuous efforts are made throughout the year by the Ministry to obtain pending Utilization Certificates. These include regular monitoring by the Divisional Heads and periodic review by Textiles Secretary. No funds are released to entities whose Utilization Certificates are pending.”

General Performance

Plan Expenditure

3.21 The Committee note that an amount of Rs.4500 crore had been allocated to the Ministry for implementing plan schemes for the year 2009-10. However, only Rs.4210.94 crore could be utilized, leaving Rs. 289.06 crore as unspent. The major portion of the unspent amount is due to zero expenditure under signature schemes of the Ministry *i.e.* TUFS, SITP, TMC etc. in North-Eastern region. The reasons attributed by the Ministry for zero expenditure in North-Eastern region are, lack of demand, non receipt of adequate proposals, non-provision of matching grant and non-submission of utilization certificates. These reasons were cited by the Ministry during 2007-08 and 2008-09 also. Apparently, the Ministry has failed to draw suitable lessons from the past trend of expenditure and the bottlenecks in the operation of the schemes. This also reflects poorly on the will and determination of the Government to implement the schemes on a uniform pattern throughout the country. The Committee are particularly unhappy that despite their earlier reiteration no strenuous efforts have

been made to promote the schemes in North-Eastern region. There is no tangible evidence to show whether the Ministry have put a single foot forward so far. On the contrary, the number of workshops, seminars/exposure visits under TUFs have been reduced in the year 2009-10 despite availability of large number of powerlooms there. Under SITP also, not a single park has been set up in spite of distinct handicrafts and handloom products being manufactured there. The Committee, therefore, strongly recommend that apart from conducting adequate number of workshops/exposure visits, the Ministry should also relax the slabs fixed under SITP and TUFs for the beneficiaries of North-Eastern region in the remaining period of 11th Plan Period. Further, efforts should also be made to establish a few model textile parks in the region as part of the promotional measures for the schemes. The Committee further desire that efforts should also be made to popularize the schemes in the region by advertising in the local print as well as electronic media leading to utilization of allocated funds.

Non-Plan

3.22 As regards the non-plan expenditure of the Ministry, the position is also far from promising. The Committee find that an amount of Rs.248.45 crore is lying unspent (as on 22.3.10) out of the total allocation of Rs.1412.42 crore with no time left for utilization of this amount. As per the reply of the Ministry, these funds will be utilized for providing loans to National Jute Manufacturers Corporation, Handicrafts, Handlooms, Textile Workers Rehabilitation Scheme etc. How and in what manner the Ministry released the remaining funds to these sectors/schemes during the fag end of Financial year 2009-10, the Committee would like to be informed. The Committee, having regard to the need for uniform and sustainable growth of the textile industry, urge the Ministry to stop such practices where funds are released at the fag end of the year. Extremely concerned about the poor planning in the Ministry, the Committee desire that a rational approach be adopted in estimating non-plan funds under various sectors/schemes and utmost care be taken for timely releasing of the funds.

Quarterly Expenditure

3.23 The Committee note that during the year 2009-10, there has been an uneven expenditure during the four quarters of the year. The instructions of the Government clearly stipulate the spreading of expenditure evenly over the four quarters and bar undue utilization of funds, or the rush of expenditure, in the last quarter of the year. Non-receipt of bills during the first quarter, delays in approval of schemes, restrictions in advance payments etc. are the main reasons attributed by the Ministry for uneven expenditure of plan funds. The Committee are not at all convinced with the reasons put forward by the Ministry and express their serious concern over such uneven pace of expenditure, particularly the March rush of expenditure which directly affects the proper and effective implementation of developmental and welfare schemes consequently hampering the growth of the entire sector. The Committee are astonished to note that despite monitoring the expenditure regularly on weekly basis in the meetings of senior officers of the Ministry chaired by the Secretary, the results are far from satisfactory. The Committee, therefore, recommend that calibrated and more sustained efforts

be made to timely settle all the procedural matters like approval of various schemes, receipt of bills etc. The Committee further desire that the monitoring mechanism needs to be more focused and result oriented so that aberrations and shortcomings do not recur.

Utilization Certificates

3.24 The Committee are astonished to note that as many as 1513 utilization certificates involving an amount of Rs.12729.57 lakhs are outstanding as on 31st December, 2009. It is shocking that some of the utilization certificates pertain to the year 1978-79. Moreover, the number of pending utilization certificates has increased in the last three years. As there is no perceptible change in the receipt of pending utilization certificates in the recent years, the Committee strongly feel that it is now a high time that the Government devise suitable measures expeditiously to liquidate all the pending utilization certificates in a time bound manner. The Committee desire that while sanctioning the grant, a suitable condition could be imposed for time bound submission of utilization certificates.

Sale of NTC land

3.25 The Committee are deeply concerned to note that as per audit para no. PA27 of 2009-10 (Performance Audit), the C&AG observed that the land of NTC mills had been sold below registration/circle rates resulting in loss of opportunity to earn Rs.1043 crore in six cases. Further a loss of Rs.185.10 crore was also incurred due to irregularities in tender documents. The Committee find that on the one hand the mills of BIC Ltd. are lying closed for want of sufficient working capital and funds for their modernization despite being viable units, and on the other NTC has indulged in such goofups in dealing with public funds. The Committee outright reject the claim of the Ministry that the sale of NTC assets had been carried out in a transparent and professional manner. The representative of Ministry was unable to provide any clear reply. Taking note of the adverse audit findings and the inability of the Ministry to provide clear reply, the Committee strongly recommend that an independent inquiry be conducted in

the matter and appropriate action taken against the persons responsible for wrongful loss to the Government. The Committee, further recommend that, henceforth, the sale of surplus land and other assets of textile mills be dealt with greater care and suitable decisions taken after independent and professional evaluation of the assets. The steps taken by the Ministry in furtherance of audit findings be intimated to the Committee within one month of the presentation of this report to Parliament.

TECHNOLOGY UPGRADATION FUND SCHEME (TUFS)

3.26 The Technology Upgradation Fund Scheme, a star scheme of the Ministry of Textiles, was launched on 1 April, 1999, with the objective of making funds available to the domestic textiles industry to upgrade the technology of existing units, and also to set up new units with state-of-the-art technology in order to enhance its viability and competitiveness in the domestic and international markets. The Scheme covers spinning, cotton ginning & pressing, silk, reeling & twisting wool, scouring & combing, synthetic filament yarn texturising, crimping and twisting, manufacturing of viscose filament yarn (VFY) / viscose staple fibre (VSF), weaving/knitting including non-wovens and technical textiles, garments, made-up manufacturing, processing of fibres, yarns, fabrics, garments and made-ups, and the jute sector.

3.27 IDBI, SIDBI and IFCI are the nodal agencies for Non-SSI textile sector, SSI textile sector and Jute sector respectively. However, in 2005, 13 additional nodal banks were appointed under TUFS for determining eligibility & releasing the subsidy in respect of cases financed by them. The Government have decided to continue the scheme for the Textiles and Jute industries with effect from 1.11.2007 to 31.3.2012 (XIth Five Year Plan Period).

3.28 The important parameters of the Scheme as amended, for the Eleventh Plan period are as follows: -

- i). A reimbursement of five percentage points on the interest charged by the lending agency on a project of technology upgradation in conformity with the Scheme. However, for the spinning machinery the reimbursement will be four percentage points.
- ii). Cover for foreign exchange rate fluctuation not exceeding 5%. However, for the spinning machinery the coverage will be 4%.
- iii). An additional option to the powerlooms units to avail of 20% margin money subsidy under TUFS in lieu of 5% interest reimbursement on investment in TUF compatible specified machinery subject to a capital ceiling of Rs. 200 lakh and a ceiling on subsidy of Rs.20 lakh. A minimum of 15% equity contribution from beneficiaries will be ensured.
- iv). 15% margin money subsidy for SSI textile and jute sector in lieu of 5% interest reimbursement on investment in TUF compatible specified machinery subject to a capital ceiling of Rs. 200 lakh and a ceiling on subsidy of Rs.15 lakh. A minimum of 15% equity contribution from beneficiaries will be ensured.
- v). 5% interest reimbursement plus 10% capital subsidy for specified processing machinery.
- vi). 5% interest reimbursement plus 10% capital subsidy for specified machinery required in manufacture of technical textiles and garmenting machinery.

- vii). Interest subsidy/capital subsidy on the basic value of the machinery and exclude the tax component for the purpose of valuation in view of the decision for non-subsidizing the taxes.
- viii). 25% capital subsidy on purchase of the new machinery and equipment for the pre-loom & post-loom operations, handlooms/up-gradation of handlooms and testing & Quality Control equipment, for handlooms production units.
- ix). The entire range of imported second hand machinery will now be ineligible under the Scheme for any benefit except automatic shuttleless looms with the value cap of Rs. 8.00 lakh per machine and 10 years' vintage and with a residual life of minimum 10 years.
- x). Other investments such as energy saving devices, effluent treatment plant, in-house R&D, IT including ERP, TQM including adoption of ISO/BIS standards, CPP etc (including non-conventional sources) as mentioned in Para 3.3(2) of the existing Scheme will now be eligible for benefits of the scheme only up to 25% of the cost of machinery.
- xi). Investments like land, factory building, pre-operative expenses and margin money for working capital will now be ineligible for benefit of reimbursement under the scheme except meant for apparel sector and handlooms with existing 50% cap. In case apparel unit is engaged in other activity, the eligible investment under this head will only be related to plant & machinery eligible for manufacturing apparel.

3.29 The progress of TUFS during the last three years showing yearly budget allocated and other details are as under:

| Year | Budget Allocation (in Rs. Crore) | No. of applications received | Amount actually reimbursed (in Rs. Crore) | Average time taken for disposal |
|----------------------------------|----------------------------------|------------------------------|---|---------------------------------|
| 2007-08 | 1143.37 | 12034 | 1093.16 | 1-2 months |
| 2008-09 | 2632 | 12449 | 2591.40 | 1-2 months |
| 2009-10 (upto December, 2009) | 2890 | 12514 | 2785.28 | 1-2 months |

3.30 It has been observed from the above table that the funds allocated under TUFS were not utilized fully during each of the last three years. An amount of Rs.50.21 crore during 2007-08, Rs.40.60 crore during 2008-09 and Rs.104.72 crore during 2009-10 remained unutilized. The reasons for underutilization of funds despite large number of applications pending for settlement every year, are stated to be that funds released for 15% Margin Money Subsidy and 20% Credit Link Capital Subsidy under the Scheme were not reflected here while submitting the data. The Actual amount of release for the year 2007-08, 2008-09 and is Rs.1138.11 crore, 2631.40 crore respectively.

3.31 The total allocation under TUFS for the year 2009-10 was Rs.2890 crore (excluding Rs.250 crore for NER) As on date, claims to the extent of Rs.2809.10 crore have been settled and claims for the balance amount are under process.

3.32 The Ministry informed that further claims can be settled only on receipt of budgetary allocations. The total pending claims for the period upto June, 2009 and partially for September, 2009 are Rs.252.29 crore in respect of 4190 applications, out of which claims amounting to Rs.67.37 crore are under process.

3.33 The total budgetary proposal for TUFs for the year 2010-11 is Rs.3600 crore.

3.34 The State-wise details of applications received and amount reimbursed during the last three years under TUFs are as under:

Year-wise / State-wise subsidy released under TUFs

(Rs. Crore)

| Sl. No. | State / Union Territory | 2007-08 | | 2008-09 | | 2009-10 (upto Mar., 2010) | |
|---------|-----------------------------|---------------------|--------|---------------------|--------|------------------------------|--------|
| | | No. of applications | Amount | No. of applications | Amount | No. of applications | Amount |
| 1. | Andhra Pradesh | 149 | 34.34 | 259 | 134.35 | 440 | 134.92 |
| 2. | Chandigarh (UT) | 12 | 1.13 | 21 | 4.69 | 32 | 6.19 |
| 3. | Chhattisgarh | | | | | 3 | 0.79 |
| 4. | Dadra and Nagar Haveli (UT) | 20 | 1.68 | 23 | 2.01 | 38 | 7.62 |
| 5. | Daman and Diu (UT) | 14 | 0.85 | 18 | 1.73 | 22 | 1.59 |
| 6. | Delhi (UT) | 177 | 24.46 | 253 | 64.89 | 360 | 58.92 |
| 7. | Gujarat | 5585 | 155.76 | 4732 | 501.50 | 5500 | 296.78 |
| 8. | Haryana | 215 | 18.58 | 342 | 73.39 | 425 | 56.54 |
| 9. | Himachal Pradesh | 11 | 1.27 | 25 | 13.86 | 40 | 7.89 |
| 10. | Jammu and Kashmir | 7 | 3.52 | 14 | 17.12 | 20 | 8.50 |
| 11. | Jharkhand | | | | | 3 | 0.68 |
| 12. | Karnataka | 183 | 23.54 | 215 | 103.24 | 356 | 79.70 |

| | | | | | | | |
|--------------|--|--------------|----------------|--------------|----------------|--------------|----------------|
| 13. | Kerala | 35 | 6.91 | 43 | 15.39 | 74 | 28.78 |
| 14. | Madhya Pradesh | 45 | 12.14 | 54 | 12.80 | 97 | 27.05 |
| 15. | Maharashtra | 997 | 274.19 | 1128 | 465.77 | 1771 | 703.09 |
| 16. | Pondicherry | 1 | 0.37 | | | 1 | 0.58 |
| 17. | Orissa | | | 1 | 0.02 | | |
| 18. | Punjab | 764 | 134.34 | 1377 | 416.53 | 1606 | 333.10 |
| 19. | Rajasthan | 558 | 60.63 | 592 | 142.55 | 855 | 143.34 |
| 20. | Tamil Nadu | 3090 | 306.74 | 3082 | 530.86 | 4992 | 730.53 |
| 21. | Uttar Pradesh | 85 | 19.49 | 138 | 71.08 | 229 | 99.44 |
| 22. | Uttarakhand | 3 | 2.03 | 4 | 1.66 | 15 | 7.08 |
| 23. | West Bengal | 83 | 11.19 | 128 | 17.96 | 165 | 29.02 |
| Total | Total | 12034 | 1093.16 | 12449 | 2591.40 | 17044 | 2762.10 |
| | Amount of 20%Credit Link Capital Subsidy and 15% Margin Money Subsidy | | 44.95 | | 40.00 | | 47.00 |
| | | | 1138.11 | | 2631.4 | | 2809.10 |

3.35 The Committee noticed that there has been 'nil' expenditure under TUFs in North-Eastern region and the Ministry stated that there is no demand from that part of the country. About the awareness programmes launched by the Government in North-Eastern region to make the scheme popular, the Ministry replied that following awareness programmes have been launched in the North- Eastern region in association with concerned State Government authority to make the scheme popular in the region:

| Year | No. Of Seminars/ Workshops | Venue | Date |
|-------------|-----------------------------------|--------------------|-------------|
| 2006-07 | 2(two) | Guwahati (Assam) | 18.12.2006 |
| | | Dimapur (Nagaland) | 12.02.2007 |
| 2007-08 | 2(two) | Agartala (Tripura) | 20.04.2007 |
| | | Imphal (Manipur) | 07.01.2008 |
| 2008-09 | 1(one) | Aizwal (Mizoram) | 29.05.2008 |
| 2009-10 | 1(one) | Guwahati (Assam) | 12.06.2009 |

Besides seminars / workshops, following exposure visits were also conducted / undertaken by Regional office of the Textile Commissioner, Kolkata.: -

| Year | No. exposure Visit | Date of Exposure Visit | No. of Beneficiaries | From | To |
|-------------|---------------------------|-------------------------------|-----------------------------|--|------------------------|
| 2006-07 | NIL | NIL | NIL | NIL | NIL |
| 2007-08 | 1(one) | 17.02.08 to 25.02.08 | 15 | Guwahati (Assam) & Imphal (Manipur) | Bangalore & Mysore |
| 2008-09 | 1(one) | 24.02.09 to 07.03.09 | 20 | -do- | Ludhiana & Amritsar |

3.36 The above tables show that only one seminar was organized by the office of Textile Commissioner in the entire NER during 2009-10 and not a single exposure visit was conducted during the full year. When asked how the Ministry propose to implement TUFS in NER without spreading awareness among the weavers working in the region, the Ministry replied as under:

‘The scope and coverage of the seminar was far larger this year. The Textile Commissioner attended the seminar and also accompanied participants for their field visit to Powerloom Service Centre (PSC), Guwahati. Further, the Principle Secretary, Govt. of Assam was also present along with other State functionaries. 160 persons from textile industry / their association attended / participated the said seminar.

Exposure visits were organised during 24.9.09 to 2.10.09 for powerloom workers of North Eastern region. 20 powerloom workers from Manipur and 20 powerloom workers from Guwahati visited the modern powerloom units at Bhiwandi, Ichalkaranji and Erode during the said period.

All out efforts have been made by the Regional Office of the Textile Commissioner and PSC, Indian Jute Industries Research Association (IJIRA) to popularize the schemes under TUFS and to disseminate information on Powerloom in all North Eastern states and for this a detail interaction covering potential investors/ entrepreneurs / weavers , Govt. agencies and other textile related personnel. In addition, Joint Secretary, Ministry of Textiles wrote to Chief Secretaries of NER States for creating congenial atmosphere to popularize the scheme for development of textile industries in NER.’

3.37 Following are the State-wise details of handlooms in North-Eastern Region:

| States / Union Territory | Working | Idle | Total |
|---------------------------------|----------------|-------------|--------------|
| Arunachal Pradesh | 46000 | --- | 46000 |
| Megalaya | 8000 | --- | 8000 |
| Mizoram | 94000 | 10000 | 104000 |
| Nagaland | 72000 | 6000 | 78000 |
| Tripura | 117000 | 2000 | 119000 |
| Assam | 1299000 | 110000 | 1409000 |
| Manipur | 267000 | 3000 | 270000 |

3.38 At present, 673 out of the total 853 powerlooms and 1,31,000 handlooms are lying idle in the North Eastern region. When asked since these looms are lying closed and its reasons, the Ministry replied as under:

‘There is scarcity of raw material because most of the spinning units in North-Eastern States are being shutdown. Weavers are completely depending on the raw material from outside the North-Eastern States leading to higher cost and this is causing a hurdle to induct automatic looms.

Since there is a constant power shortage in the region so loom stoppages are occurring frequently. There is also no separate power tariff for the powerloom units in North-Eastern States from the State Government.’

3.39 On the specific efforts so far been made by the Government in order to make these looms functional, the Ministry stated that:

‘IJIRA-Guwahati and Regional Office of the Textile Commissioner deputed Technical Officers /Expert weavers to various powerloom concentrated areas to facilitate the entrepreneurs about various Government schemes including TUFS. The Government of Sikkim and Government of Manipur have shown interest in opening of Powerloom Service Centres. The Government of Manipur has been requested to examine whether they would volunteer for a franchise model for Powerloom Service Centre on the lines of Government of Karnataka and Madhya Pradesh.’

3.40 The Committee find that there are regional imbalances in availing the benefits under TUFS. While there has been overwhelming response from the States of Gujarat and Tamil Nadu, performance in the States of Maharashtra, Punjab and Rajasthan is moderate. Other States viz., Uttar Pradesh, Uttarakhand, Kerala, Himachal Pradesh, Orissa, Chattisgarh, Jharkhand performed poorly. Bihar, Sikkim, Andaman and Nicobar Islands, Lakshadweep 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 inadequate or nil at present. The Committee, therefore, urge the Ministry to take remedial steps in

this regard, including proper advertisement of the Scheme to create awareness among the stakeholders, so as to ensure proper and equal development to the extent possible by disbursing the benefits available under TUFs, among all States.

3.41 The Committee note that TUF Scheme which has picked up in the rest of the country though unevenly, is virtually a non-starter in the North-Eastern States. During the entire 10th Plan period and in the first three years of the 11th Plan, not a single rupee has been spent under TUFs in that part of the country despite availability of a large number of powerloom and handloom units there. The Committee find that the Ministry have organized a limited number of seminars/workshops in North-Eastern region since 2006-07 and the frequency has declined in the successive years. It is also surprising that only three exposure visits have been conducted involving only 75 beneficiaries from the entire North-Eastern region till 2009-10. Obviously, not much can be achieved with such feeble efforts to implement TUFs in North-Eastern region. The Committee, therefore, strongly recommend that the Ministry should first check the continuous closure of

powerloom units in the region by expanding its infrastructure there by providing sufficient raw material, uninterrupted power supply and dissemination of technology to them. Further, a clear cut strategy be chalked out for spreading awareness about the Scheme in the region including adequate number of seminars/workshops and exposure visits. The periodicity and venue of all such events should be fixed in the very beginning of each year and adequate publicity be given in the local press and electronic media. Besides, efforts also need to be made to reach the maximum number of stakeholders and encourage them to take part in the exposure visits. The Committee further recommend that the current slabs under the Scheme be further relaxed till the time the Scheme gains momentum in North-Eastern region.

3.42 The Committee are constrained to note that backlogs have become a sad feature of the TUF Scheme in the recent years. This is stated to be mainly due to the delay in processing of claims by lending agencies and the office of Textile Commissioner resulting in spill over of claims to the next year and mismatching of funds. The Committee find that as on date claims received upto

June, 2009 and partially upto September, 2009 have been settled. The Committee hardly need to emphasize that the flagship Scheme aiming to help the Indian Textile Industry in modernization of machinery and upgradation of technology, calls for hassle free and speedy implementation. The Committee, therefore, recommend that the Office of Textile Commissioner should obtain the data from the Banks/lending agencies on quarterly basis and the eligible claims be settled within a stipulated time frame but generally not exceeding 15 days of the receipt. The Committee also recommend that meticulous analysis be made of the requirement of funds under the Scheme every year and sufficient funds be allocated so that the Scheme does not become a laggard.

FASHION HUBS

3.43 It is proposed to set up fashion hubs in the country to strengthen the entire textile value chain and to provide an interface between stakeholders by creating a permanent market place for the Indian fashion industry which would serve as a single stop fashion business point in India. These hubs would have latest collection ranging from textile accessories to the finished products.

Salient Features:-

3.44 A Fashion Hub/ Fashion Market Centre is conceived as a dedicated area for promotion of fashion industry and as a support for marketing to Indian designers . The focus of the hub would only be on the fashion industry. It could perform a range of functions such as:

- offer a wide variety of designer wear products such as apparels, accessories from the Indian fashion manufacturing Industry through a permanent exhibition.
- hosting market meets/ fashion shows during all the seasons.
- provide facilities for design, research on products and producers, fashion photo shoots, etc.
- produce literature on a wide range of fashion business related issues.

Objectives: -

3.45 A Fashion Hub/ Fashion Market Centre can have one or more of the following objectives :-

- To provide an interface between stakeholders by creating a permanent market-place for the Indian fashion Industry. It would serve as a single stop fashion business point in India.
- To showcase Indian fashion trends and highlight the craftsmanship and design legacy of India .
- To project an image of India's contemporary look and to serve as a center for creative fashion activity.
- To be a fashion gallery and to facilitate the organization of International fashion events and competitions.
- To strengthen the entire supply chain which would include establishing backward linkages with suppliers.
- Venture financing and incubation for new budding entrepreneurs among NIFT alumni, students and faculty in diverse areas of fashion, lifestyle and traditional crafts.

- Management Development Programmes (MDP) for strengthening and upgrading the management cadre in various fashion and garment units in the country and to create change agents among the emerging generation.

3.46 The Committee note that the Fashion Hub Scheme was launched in the first year of 11th Plan i.e. 2007-08 and an amount of Rs.30.00 crore has been proposed under the Scheme for 11th Plan period whereas Rs.1.00 crore was allocated during Annual Plan 2007-2008 as a token provision. The expenditure is meant for setting up a centre, developing production and design studios for commercial purposes including that of accessories. However, even after the completion of three annual plans, the Scheme has not come on the ground. On the efforts made by the Ministry to kick start the Scheme, it has been stated that:

“After concerted efforts of the Ministry of textiles, finally DDA responded to the request of the Ministry and informed that it has identified a piece of 10 acres of land in IGNOU Campus in Maidan Garhi for allotment to the Ministry for Fashion Hub. The cost of the land will be decided in consultation With Finance Division and the MOUD which is likely to be on the pattern of land allotted to the Ministry of Textiles for setting up National Craft Complex in Vasant Kunj. Formal allotment letter would be issued only after completing the statutory process of change of land use by DDA. Reply of the Ministry to the issues raised by the DDA in the above referred letters is under process.

The Ministry of Textiles has been making sincere efforts to establish the Fashion Hub. In order to move forward, Ministry has constituted a Core Advisory Group under the chairmanship of Director General, NIFT to suggest terms of reference, eligibility criteria etc. for appointment of a consultant to prepare a Detailed Project Report. Core Advisory Group has submitted its report and the same is being examined.'

3.47 Regarding the information asked by DDA and the reasons for not furnishing the requisite information to them by Ministry after lapse of more than one year, the Ministry replied in a very casual manner stating that, "DDA asked the Ministry to clarify the facilities proposed to be provided in the Fashion hub.... DDA also asked for a Project Report on Fashion Hub. With a view to ascertain exactly as to what facilities, infrastructure is to be provided in the proposed Fashion hub the Ministry constituted the Core Advisory Group under the Chairmanship of Director General, NIFT to frame the terms and reference for appointment of a consultant to prepare the Project Report along with a feasibility report.'

3.48 Regarding fixing a definite time-frame for setting up of fashion hub in Delhi, the Ministry simply replied that this being a novel idea, no time frame could be fixed.'

3.49 The Committee have been informed that only one hub is proposed to be set up in Delhi during the XIth plan period. When asked whether a single hub will be able to meet the broad objectives of the scheme keeping in view the vastness of the fashion industry of our country, the Ministry replied that Fashion hub was one of the new initiatives emanating from the Union Budget of 2007-08. The objective of setting up of Fashion hub in the country was to serve as single stop fashion business point, developing production and design studios for commercial purposes including accessories required in textiles. Fashion hubs were to be set up at various places across the country in lieu of the vastness of fashion industry in our country.

3.50 The Committee are dismayed to note that the fashion hub scheme which was proposed to be implemented in the year 2007-08, is still in conceptual stage. The proposal for allotment of land for setting up the of fashion hub is still shuttling between various Government departments and the Ministry are not even in a position to commit any time period for the acquisition of the land. It is, therefore, rightly quite premature for the Ministry to venture a guess as to when the fashion hub would become a reality. Further, the issues like framing terms of reference, eligibility criteria etc. for appointing consultants, which should have and could have been settled in the first year itself of the launching of the scheme, are still under process of formulation. The Committee desire that the examination of the report of Core Advisory Group be completed urgently. Though creation of 'Fashion Hub' is a laudable concept as it will help in generation of employment opportunities besides displaying the skills and talents of Indian crafts persons, unfortunately it is being delayed due to poor planning, lack of fore thinking and coordinated efforts on the part of the Government. The Committee, therefore, strongly recommend that all the departments/agencies involved in the

matter be asked to work in tandem and complete all the procedural formalities in a time bound manner. The Committee desire that the proposed fashion hub in Delhi be set up at the earliest so that it starts functioning at least by the end of current financial year. The Committee also urge upon the Government to identify land in other States also for setting up of fashion hubs and complete all the administrative, technical and other procedural formalities well in advance so that the scheme may come up simultaneously in other parts of the country which will facilitate local artisans, weavers and other skilled textile workers to showcase and market their products there. The States without such hubs may be accorded priority considering the utility and scope of such hubs in these States.

British India Corporation (BIC) MILLS

3.51 The British India Corporation Ltd. was taken over by the Government of India on 11.06.1981 by acquisition of all private shares. The BIC Ltd. has two Woollen Mills, namely, Cawnpore Woollen Mills Branch (Lalimli) at Kanpur in Uttar Pradesh and New Egerton Woollen Mills Branch at Dhariwal in Punjab under its direct control. Besides, it has two cotton subsidiary companies, namely Elgin Mills Co. Ltd. and Cawnpore Textiles Ltd. Both at Kanpur in Uttar Pradesh.

3.52 The Company was referred to BIFR in the year 1992 and was declared sick. Thereafter, a rehabilitation scheme was approved by BIFR in the year 2002 which could not be implemented due to non-conversion of leasehold land of the mills into freehold by State Government of Uttar Pradesh and also due to lack of adequate funds. BIFR again approved a modified rehabilitation scheme in the year 2008. Now, the revival plan is being forwarded to BRPSE after receiving the report of wool Research Association (WRA) regarding techno-economic viability of the Company.

3.53 As to why the Ministry propose to submit the revival plan to BRPSE when the viability of BIC mills has already been studied by WRA, and BIFR has also recommended for their revival in the year 2002 and subsequently in 2008, the Ministry stated that “the revival plan of the company was submitted for Cabinet approval in the month of February, 2009. The Cabinet Secretariat in March, directed that revival proposal of BIC Ltd. required to be placed before BRPSE in the first

instance. Accordingly, the revival proposal of BIC Ltd. has now been prepared by the company based on Techno-Economic Viability (TEV) report of WRA and IFCI, and necessary proposal will be shortly submitted to the BRPSE. It may, therefore, be seen that this Ministry is making serious efforts for revival of the company.”

3.54 Regarding efforts made to pursue the matter of conversion of leasehold land to freehold with State Government of Uttar Pradesh, the Ministry replied that in January, 2010, a letter was sent to the Chief Minister, Government of Uttar Pradesh for expediting the grant of requisite permission. In February, 2010, the Secretary (Textiles) also wrote to the Chief Secretary, Uttar Pradesh in the matter.

3.55 The Ministry also informed that in the meeting held in October, 2008, it was decided that BIC will submit separate proposals for each land to the concerned State Government Agency, so that a decision can be taken by the State Government. Though the details were submitted, requisite approval/permission could not be received.

3.56 In response to the Committee’s query as to how the Government propose to end this impasse and start modernization of BIC Mills, the Ministry replied that all possible steps were being taken in the matter. Accordingly, the revival plan would be shortly submitted for consideration/approval of BRPSE. Depending upon their recommendations, further steps would be taken in the matter.

3.57 The Committee noticed that the production activities in New Egerton Woollen Mill, Dhariwal (Punjab) which is one of the subsidiaries of BIC Ltd., are running partially due to acute shortage of raw material and working capital.

3.58 As regards arranging of working capital for the said mill on term loan basis in order to augment its production keeping in view its viability and upcoming modernization scheme, the Ministry stated that, “the working capital requirement is a component of the proposed revival scheme to be approved by the Government. The Ministry of Textiles has no source or authority to arrange working capital without budgetary support from the Government. After approval of the revival scheme by the Government, provision for working capital will be made in the budget.”

3.59 AS regards providing raw material to the mill through Cotton Corporation of India which is one of the Public Sector Undertakings (PSUs) of the Ministry of Textiles, the Ministry stated that “the company is lying closed since 1994. Provision of raw material alone cannot make the operations continue. Unless modernization of the obsolete machinery/equipment is completed, it may not be possible to take up production activities. As soon as the revival plan is approved, all possible efforts will be made to start production activities.”

3.60 The Committee are concerned to note that the work of modernization/revival of BIC mills is unduly being delayed by involving a series of departments/agencies in the matter. BIFR has approved the viability of the company and has recommended for its rehabilitation/modernization twice, in 2002 and subsequently in 2008. After failing to revive the company as per the decision of BIFR, the Government have obtained a techno-economic viability Report from Wool Research Organization which has recommended an amount of Rs.313.91 crore for its revival. Now, the Government propose to refer the company to BRPSE which will, undoubtedly further delay the matter. Accordingly to the Ministry, further steps for revival of the company will be taken depending upon the recommendations of BRPSE. The Committee feel that all efforts, made so far by the Government, have proved futile in getting the leasehold land of BIC mills into freehold from the State Government of Uttar Pradesh. The Committee, therefore, recommend that sustained efforts be made to end this deadlock at the earliest so that BIC mills which are lying closed since long in

spite of having enormous potential, may be reopened without further delay.

3.61 The Committee also urge the Ministry to take up the matter of providing working capital to Egerton Woollen Mills, Dhariwal, with the Ministry of Finance so that production activities in this viable unit, with the popular brand name of 'Dhariwal Wool' start at the earliest.

NATIONAL INSTITUTE OF FASHION TECHNOLOGY (NIFT)

3.62 The National Institute of Fashion Technology was set up in 1986 as an autonomous Society in collaboration with the Fashion Technology (FIT), New York, to train professionals to meet the requirements of the textiles industry. The Institute has pioneered the evolution of fashion business education across the country through its network of seven centres at New Delhi, Bangalore, Chennai, Ghandinagar, Hyderabad, Kolkata and Mumbai. A Centre at Rae Bareilly has been added from academic year 2007-08 and four Centres at Patna, Bhopal, Shillong and Kannur have been added from academic year 2008-09. Another NIFT Centre at Kangra was also inaugurated on August, 2009. NIFT, besides conducting regular professional undergraduate and postgraduate programmes in Design, Management and Technology, also offers short duration part-time courses under its Continuing Education (CE) Programme.

3.63 NIFT offers various full time degree and part-time certificate programmes to develop professionals for Fashion Industry in India. NIFT also undertakes applied research studies and applications thereof in relevant areas of the fashion industry; particularly concerning the integration of locally produced materials, the requirements of mass production, improved product design and international marketing. It also provides technical assistance to artisans, craftsmen, manufacturers, designers and exporters of fashion products.

3.64 NIFT Act 2006 empowers the institute to award degrees and other academic distinctions. NIFT is the first premier institute in the world to award its own Degrees in the field of fashion education.

3.65 Following are the details of courses being run by NIFT:

PROGRAMME

1. BACHELOR PROGRAMMES (4 years)
2. BACHELOR PROGRAMMES (B. Des.) –DESIGN
3. Fashion Design
4. Leather Design
5. Accessory Design
6. Textile Design
7. Knitwear Design
8. Fashion Communication
9. BACHELOR PROGRAMME (B.FTech.) – TECHNOLOGY
Apparel Production from a recognized Board of Education
10. MASTER PROGRAMMES (2 years)
11. MASTER PROGRAMME (M. Des.) – DESIGN
12. Master of Design
13. MASTER PROGRAMME (M.F.M.) – MANAGEMENT
14. Master of Fashion Management
15. MASTER PROGRAMME (M.F. Tech.) – TECHNOLOGY
16. Master of Fashion Technology

3.66 Whether any survey/study conducted by the Institute or the Government to assess the outcome and utility of the courses offered by NIFT, the Ministry replied as follows:-

‘No such specific survey/study has been conducted by NIFT or the Government to assess the outcome and utility of the course offered by NIFT. However, a Peer Review Study for reviewing various activities and initiatives taken by NIFT and touching upon the issue of outcome and utility of the courses offered by NIFT has been done by IIM, Ahmadabad in 2007.’

3.67 The Ministry further informed that NIFT Act, 2006 provides for laying down courses leading to graduate and postgraduate degrees, doctoral, and post-doctoral courses and research in the area of fashion technology as one of NIFT’s functions. Interactions with industry/designers etc. are being organized regularly to get feedback about the utility of various activities of NIFT including outcome and utility of the courses offered by NIFT. In the year 2009, industry interactions have been organized at seven places namely; Mumbai, Gandhinagar, Hyderabad, Bangalore, Tirupur, Chennai and Coimbatore. On the basis of suggestions received from the industry during the above interactions, new curriculum of NIFT is being drafted which will be implemented from the ensuing academic session.

3.68 On the issue of main observations of IIM, Ahmedabad and the manner in which the Government have responded to them, the Ministry replied as under:

“No changes have been suggested by IIM Ahmedabad. However, all the efforts and initiatives taken by NIFT have been appreciated by the IIM Ahmedabad which are as follows:

- (1) The restructuring of the UG programme to a four year, degree granting program with a common, compulsory foundation course, has been a vital strategic initiative. With this change, NIFT is addressing a very important need of the industry for professionally trained people with adequate training and qualification. In addition, this change has strengthened the academic standards of NIFT’s flagship programs, which in turn attract even better quality students. Instead of NIFT becoming a default option for aspiring students as was the earlier situation, the restructures UG program has now acquired the status of a program competing for talents along with the IITs and other top Engineering Colleges.
- (2) The process followed to “design” the new program was elaborate and was carried out through specific workshops and conclaves, with participation by the faculty and Centre Directors and other senior functionaries. Wider consultations, discussions and involvement of the faculty members and discussions with alumni and industry have contributed significantly to make the exercise more detailed and relevant, leading to collective ownership of the change.
- (3) The common elective courses, according to IIM’s assessment are very appropriate for the type of professions that the graduate enter. This also provides a bouquet of options for the students to focus, based on their interests.

- (4) The process of identifying the common elective with considerable involvement of the academic community and wider consultation, according to IIM(A), have been an innovative initiative. This is especially so in the context of the fact that each Centre has its own unique sets of students, focus and resources. Therefore only an innovative approach in identifying these courses can address the diversity without compromising on the common standards.
- (5) Involvement of the industry and outside experts in designing the above program is another commendable aspect. This process has made the program strongly practice oriented. One of the unique initiatives that NIFT has undertaken is the introduction of “Balanced Score Card” to align various Centres of NIFT under pre-specified set of measures and to use these measures to evaluate performance in a transparent and objective manner’.

3.69 Regarding the significant improvements observed in the courses offered by NIFT after the IIM study, the Ministry stated that :

‘IIM in its recommendations has mentioned that the initiatives undertaken and the transformation achieved by NIFT so far needs to be sustained. It is also important to learn from the implementation experience so that the initiatives taken so far can be improved upon as the Institute progresses. However, in the process of attempting improvements, if some of the actions, initiatives and processes are dismantled, then these will have serious consequences. Accordingly, such efforts have been continued.’

3.70 The Ministry also informed that two new centres of NIFT are proposed to be opened at Bhubaneswar and Jodhpur in the academic year 2010. Requests of the following States are pending with the Government:

| S. No. | State in which proposal to open a NIFT Centre is pending | Status of the Proposal |
|--------|--|---|
| 1. | For conversion of NIIFT, Mohali to a NIFT Centre | Principal Secretary, Department of Industry and commerce, Chandigarh has conveyed the concurrence of the State Govt. of Punjab for the merger of NIIFT, Mohali with NIFT Delhi. However, response from the State Govt. of Punjab regarding agreement on the fundamental issues raised vide NIFT's letter dt. 14.12.2009 is awaited. |
| 2. | Guwahati (Assam) | Letters from Commissioner and Secretary to Govt. of Assam and Minister of Power, Public Enterprises, Industry and Commerce were received informing that suitable land measuring 10 acres has been identified for setting up of NIFT Centre in Guwahati, Assam. However, commitment of funds of Rs. 58.65 crores was not received; therefore, a letter was sent to Commissioner and Secretary, Govt. of Assam with the request to arrange to convey commitment of the State Govt. of Assam for funds setting up of NIFT Centres. Reply of State Govt. of Assam in this regard is still awaited |
| 3. | Sikkim | VIP reference from MOT and a letter from Sh. Dava Narbula, Member of Parliament were received regarding setting up of NIFT Centre in Sikkim. The estimated fund and land requirement was conveyed to MOT. The reply is still awaited. |
| 4. | J&K (Budgam) | A proposal for setting up of a NIFT Centre in J&K was received in response to letter of HMOT to Chief Minister of J&K. Chief minister of J&K vide his letter dated 25.08.2009 intimated that the State Government has identified land measuring 10 acres at Ompora, Budgam and the funds required for infrastructure have also been earmarked. DG NIFT visited Srinagar on 22 nd February, 2010 to assess the suitability of the structures for setting up of a temporary Campus. |

| | | |
|----|---------------------|--|
| | | <p>The Report of the visit has already been forwarded to Secretary (Textiles) on 24.02.2010 (Copy enclosed) informing that the site for the temporary centre has not been found suitable. In these circumstances, DG-NIFT has suggested that the permanent site in Ompora, Budgam which has been found suitable by NIFT may be activated. This site requires certain infrastructure development like road connectivity, power, water supply etc. to be completed by Govt. of J&K. The Principal Secretary, J&K has informed that the proposal for formal approval of setting up of NIFT Centre is pending for Cabinet approval. In the mean time, he has asked NIFT to issue EOI for selection of Architects for this permanent Centre and the same shall be done shortly. It is expected that an Architect would be finalized by NIFT and Govt. of J&K jointly latest by the end of April, 2010, so that NIFT could start regular functioning by August, 2011</p> |
| 5. | Chhattisgarh (Durg) | <p>A letter was received from Chief Minister of Chhattisgarh for setting up of a NIFT Centre in Chhattisgarh vide which it has been intimated that the State Govt. has identified land measuring 10 acres at Raipur and funds to the tune of Rs. 58.65 Crores required for the infrastructure have also been earmarked. It has also been informed that the Industries and Commerce Department of the State Govt. has been nominated as the nodal department for the project.</p> <p>On 31.08.2009, NIFT wrote to the Principal Secretary (Commissioner & Industry) State Govt. of Chattisgarh asking for a suitable convenient date to take this proposed project further but no response was received.</p> <p>Subsequently, a letter was received from Special Secretary, Chhattisgarh Administration, Commerce and Industry Department regarding change of location for setting up of NIFT Centre at Durg, Chhattisgarh instead of Raipur. In this letter the State mentioned a 10:90 funding pattern as well as asked for a 50% reservation for State residents in this Centre.</p> |

| | | |
|----|------------------|---|
| | | <p>In this regard, it was conveyed to the Chief Secy., Chhattisgarh that NIFT does not have any financial provision for setting up of new NIFT Centres. The project will have to be fully funded by the State Government. Also, only 20% seats are reserved for State residents as per NIFT Policy and he was requested that the same commitment for land and funds may be confirmed for setting up of NIFT Centre at Durg. Reply from the State Govt. is awaited.</p> |
| 6. | Mizoram (Aizwal) | <p>A proposal for setting up of a NIFT Centre in Mizoram was sent by HMOT to Chief Minister of Mizoram. In response to this letter dated 08.10.2009 (copy placed at Annexure-) has been received from Chief Minister of Mizoram informing that Govt. of Mizoram would provide 10 acres of land near about Aizawl city for the NIFT Centre. However, due to financial constraint, it will be difficult to provide for infrastructure cost of Rs. 58.65 crores at present.</p> <p>The matter was placed before Board in its 8th meeting held 19.02.2010. The Board considered the proposal and keeping in view the fact that NIFT does not have any financial provision for setting up of new NIFT Centres, the proposal will have to be fully funded by the State Government / other agencies of Mizoram, the Board directed that the above position may be conveyed to the State Govt. of Mizoram.</p> |
| 7. | Jharkhand | <p>VIP reference was received from MOT regarding new NIFT Centres at Jharkhand. In response to this, land and fund requirement for opening of new NIFT Centre was conveyed to MOT. Reply in this regard from MOT is still awaited.</p> |
| 8. | Agartala | <p>A letter from Minister, Rural Development, Industries and Commerce & Forests, Govt. of Tripura was received in response to letter of Hon'ble Minister of Textiles regarding setting up a new NIFT Centre at Agartala, Tripura intimating that at initial stage the Centre may be located at Indra Nagar where two it is already</p> |

| | | |
|--|--|---|
| | | <p>functioning. Further a note on the existing infrastructure at the site was also enclosed stating that the same may be treated as contribution by the State Govt. who may otherwise find it difficult to meet the requirement of Rs.58.65 crores for this purpose.</p> <p>Since the proposal received from State Govt of Tripura is a departure from the existing guidelines, therefore, State Govt was requested to provide more details about the land, the site plan of proposed Centre and name of a Nodal Department, Officer with whom communication in this regard can be made. Reply in this regard is awaited from State Govt. of Tripura.</p> |
|--|--|---|

3.71 The Committee take note of the fact that NIFT has been quite successful in attaining its objective. Evidently, its courses are becoming increasingly popular as the demand of the students for joining the Institute is growing year after year. In order to meet the growing demands of the students from across the country, NIFT is opening two more centres at Bhubaneshwar and Jodhpur in the academic year 2010-11. Besides, consultation is under various stages with concerned States Governments for setting up eight more centres. Undoubtedly, this is a commendable step. However, the desired progress is not being achieved due to one or the other reason in all the proposed centres. All the eight projects are plagued by one or the other problem and are not progressing on the expected lines. The Committee, therefore,

impress upon the Government to take up the matter with the concerned State Governments at the highest level so that all the tangles are resolved at the earliest and the proposed centres come up within a stipulated timeframe. The Committee further recommend that considering the need for such professional courses world-wide and their huge scope for employment generation, the Government should immediately prepare an action plan to open at least one NIFT centre in each State/UT. Priority may be accorded to States which are without such centres and where heavy industry cannot flourish due to topographical constraints. Such a step will go a long way in meeting the demand of professionals of the field of fashion technology in country's growing textile sector.

3.72 The Committee note that several professional courses are being run by NIFT to award undergraduate and post graduate degrees to students. According to the Ministry, though interactions with the industry/designers are being organized regularly to get feedback about the outcome/utility of these courses, however, no specific study has ever been conducted insofar as the achievements/relevancy of these courses are

concerned. The Committee are of the view that keeping in view the ever changing fashion trends globally, it is very much imperative to keep these courses updated, contemporary and relevant. They, therefore, recommend that the Government should devise a suitable methodology to evaluate all the courses run by NIFT by experts of the Industry at regular intervals. Based on such appraisal it should be ensured that the new trends/developments taking place in the fashion arena world wide, are suitably and timely blended in the courses of NIFT so as to rise to the expectations of the global fashion industry. The Committee further recommend that NIFT should start doctoral and post doctoral courses/degrees at the earliest for the purpose of creating professional faculty as well as experts in the field of fashion technology.

Powerloom Sector:

3.73 The decentralized 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 2256320 powerlooms in the country as on 31st December, 2009 distributed over approximately 5.03 lakh units. This is about 60.39% of the total looms in the world. The powerloom sector contributes about 62% of the total cloth production of the country, and provides employment to about 55.95 lakh persons.

3.74 The total number of powerlooms installed in the country as on 31st December, 2009 are as under:-

| States/Union Territories | No. of Powerlooms | | | | | |
|---|--------------------------|------------------|-------------|---------------------|--------------------------|--------------|
| State | Plain | Semi-auto | Auto | Shuttle less | Tape Narrow Width | Total |
| Powerlooms in the Decentralised Powerloom Sector | | | | | | |
| Andhra Pradesh | 53000 | 100 | 56 | 726 | 0 | 53882 |
| Assam | 82 | 321 | 60 | 36 | 0 | 499 |
| Bihar | 17380 | 0 | 0 | 0 | 0 | 17380 |
| Chattisgarh | 200 | 0 | 0 | 0 | 0 | 200 |
| Gujarat | 212551 | 90236 | 5617 | 14976 | 0 | 323380 |
| Dadra Nagar Haveli | 0 | 0 | 166 | 796 | 0 | 962 |
| Haryana | 21000 | 0 | 0 | 2500 | 0 | 23500 |
| Himachal Pradesh | 0 | 0 | 24 | 74 | 0 | 98 |
| Jammu & Kashmir | 65 | 0 | 0 | 0 | 0 | 65 |
| Jharkhand | 0 | 0 | 0 | 12 | 0 | 12 |
| Karnataka | 80000 | 14 | 8 | 986 | 0 | 81008 |
| Kerala | 5075 | 278 | 0 | 186 | 0 | 5539 |
| Madhya Pradesh | 39866 | 295 | 962 | 281 | 0 | 41404 |
| Maharashtra | 910000 | 60000 | 11000 | 40000 | 0 | 1021000 |
| Meghalaya | 2 | 0 | 0 | 0 | 0 | 2 |
| Orissa | 1438 | 0 | 0 | 0 | 0 | 1438 |

| | | | | | | |
|---|----------------|---------------|--------------|---------------|------------|----------------|
| Punjab | 11000 | 0 | 180 | 1412 | 0 | 12592 |
| Rajasthan | 7500 | 0 | 1800 | 12500 | 0 | 21800 |
| Tamilnadu | 440000 | 20000 | 2690 | 9000 | 0 | 471690 |
| Tripura | 4 | 0 | 0 | 0 | 0 | 4 |
| Uttar Pradesh | 90000 | 994 | 532 | 830 | 0 | 92356 |
| Uttarakhand | 6000 | 0 | 0 | 0 | 0 | 6000 |
| West Bengal | 10350 | 0 | 100 | 50 | 0 | 10500 |
| Pondicherry | 200 | 0 | 0 | 0 | 0 | 200 |
| Total | 1905713 | 172238 | 23195 | 84365 | 0 | 2185511 |
| Powerlooms in the Organised Sector | | | | | | |
| Composite Mills | 30872 | 150 | 12753 | 12875 | 0 | 56650 |
| Exclusive Weaving Mills | 6622 | 40 | 1723 | 5614 | 160 | 14159 |
| Total | 37494 | 190 | 14476 | 18489 | 160 | 70809 |
| GRAND TOTAL | 1943207 | 172428 | 37671 | 102854 | 160 | 2256320 |

3.75 The budgetary allocation made and actual expenditure incurred on the powerloom sector other than the expenditure under TUFs during last three years is as under:-

| 2007-08 | | | 2008-09 | | | 2009-10 | | |
|----------------|-------|------|----------------|-------|-------|----------------|-------|----------------------------|
| BE | RE | Exp. | BE | RE | Exp. | BE | RE | Exp. (upto 26.03.10) |
| 10.00 | 10.00 | 9.65 | 10.00 | 12.30 | 10.75 | 10.00 | 13.64 | 13.16* |

* In addition to above, some expenditure will be incurred during remaining period of March, 2010.

3.76 As per the written note of the Ministry, the above funds are meant for following purposes:

- (i) Other charges for Grant-in-aid to Textile Research Associations (TRAs) for salary/medical TA/DA for staff of the TRA's Powerloom Service Centres (PSCs), Office expenses of TRA's PSCs, modernization (purchasing of machines equipments etc.) of TRA's PSCs. Modernization (purchasing of machines equipments etc.) of PSCs under Office of Textile Commissioner. Salary, medical TA/DA of the staff of the planned Powerloom Service Centres (PSCs) under Textile Commissioner Office. Expenses for CAD Centres at Powerloom Service Centres. The market development of powerloom sector, exposure visits for powerloom workers.
- (ii) For payment of premium provided by Ministry of Textiles for enrolment of powerloom workers under Group Insurance Scheme.
- (iii) For providing subsidy by the Government for construction of group workshed by group of the powerloom units under Group Workshed Scheme.

3.77 The benefits provided to powerloom units under 20% credit linked subsidy scheme since its launch on 6.11.2003 is as under:

| Sl.No. | Year | No. of Units | Amount of subsidy releases (Rs. In crore) |
|--------|---------|--------------|---|
| 1. | 2003-04 | 4 | 0.10 |
| 2. | 2004-05 | 150 | 6.00 |
| 3. | 2005-06 | 368 | 23.00 |
| 4. | 2006-07 | 827 | 59.86 |
| 5. | 2007-08 | 567 | 44.95 |
| 6. | 2008-09 | 404 | 32.48 |
| 7. | 2009-10 | 263 | 23.09 |

3.78 This expenditure is in addition to the expenditure indicated in previous para. For 20% CLCs there is no separate budget allocation for powerloom sector and the required fund is earmarked out of the budget allocation for TUFS.

3.79 Regarding the modernization programme of the Government for powerloom sector, the Ministry replied in a written note as under:

‘The Government has implemented 20% Credit linked Capital Subsidy (CLCS)/ Margin Money Subsidy (MMS) under the Technology Upgradation Fund Scheme (TUFS), for providing subsidy on purchasing / installation of modern powerloom in powerloom sector. The scheme was announced on 6.11.2003 by Ministry of Textile and is applicable to powerloom in SSI sector. The scheme is extended *w.e.f* 1.4.2007 upto 31.3.2012.’

3.80 With regard to the details of the number of powerlooms modernized so far, and the target fixed for modernization of powerlooms during 2010-11, the Ministry’s response is as under:

‘The number of powerlooms purchased / installed under 20% CLCS / MMS so far is 17,422. The target for modernisation of powerloom is fixed in term of the assistance / subsidy to be provided on purchasing / installation of the powerlooms under 20% MMS. The target in term of the assistance / subsidy for year 2010 - 11 is fixed as Rs.40 Crore including 15% MMS for all other small scale textile units’.

3.81 In response to the query of the Committee regarding the time by which all the powerlooms in the country are likely to be modernized, the Ministry responded as under:

“Government is allocating sufficient fund under TUFS for modernisation of textile units including powerloom units. The subsidy under the scheme is provided to units desirous for availing the benefit of the scheme for upgradation / modernisation of the machines. However, there may be number of units which may not avail benefits of the scheme. Hence, there may be number of powerloom units in the country, not likely to be modernised.”

3.82 Whether the powerloom sector has demanded enhancement of the benefits being provided under TUFS, the Ministry replied as under:

‘The various Powerloom Associations/Organisations have demanded that the present 5% interest reimbursement subsidy should be enhanced to 8% or Credit Linked Capital Subsidy / margin Money Subsidy should be enhanced from present 20% to 25%. The present ceiling of Rs.2 Crore on investment in the plant and machinery for SSI units should be increased upto Rs.5 crore.’

3.83 The manner in which the Government intend to address the problems of powerloom weavers who are working on small scale or in individual capacity and the banks generally do not provide loans to them due to their weak financial position. The Ministry replied in a very casual manner stating that:

‘The banks are providing loans to powerloom units as per their terms and conditions based on their capacity to make the repayment.’

3.84 The Committee noticed that there are 70809 powerlooms in the country in organized sector and 2185511 in decentralized sector as on 31st December, 2009. When asked about the steps taken to organize powerloom weavers who are working in decentralized sector, into clusters/self help groups, the Ministry replied:

‘The Regional Offices, Powerloom Service Centres under Office of the Textile Commissioner as well as TRAs are conducting Seminars, Workshops, meetings etc. with powerloom weavers and their associations for creating awareness about schemes among them and advising them to avail the benefits of the schemes and for helping them in preparing their proposals.’

3.85 The Committee are constrained to note that powerloom sector has not received due attention of the Government, even after contributing 62% of the total cloth production of the country and providing employment to about 55.95 lakh persons. The Government introduced 20% credit linked capital subsidy Scheme (CLCSS) in November, 2003 under which only 2583 powerloom units out of 5.03 lakh units in the country have availed the subsidy so far. The Committee understand that the entrepreneurs working in powerloom sector are not coming forward to take benefits of

TUFS and CLCSS mainly due to shortage of margin money and weak financial capacities to avail loans from the Banks/lending agencies. Modernization of powerloom sector is very essential for achieving the desired growth rate for textile sector so as to be competitive internationally, particularly to defeat import penetration due to globalization. The Committee, therefore, recommend that instead of equating the modernization of sick powerloom sector with the huge mill sector where entrepreneurs are equipped with greater financial potential, an integrated scheme should be specifically formulated for the powerloom unit holders so that they could come forward to timely modernize their units and are not forced to go for closure for want of required funds.

3.86 The Committee observe that there are only 70809 powerlooms in the country in organized sector and 2185511 in decentralized sector. The Committee feel that the assistance under Government Schemes can be better channelized and utilized through Cooperatives/Clusters/Self help Groups vis-à-vis targeting the individual powerloom units. For the purpose, powerloom sector needs to be organized by bringing maximum number of

powerloom units under Cooperative/Cluster fold. The Committee find that nothing concrete has so far been done in this regard. The Committee, therefore urge the Government to chalk out a well planned strategy to form Powerloom Cooperatives/Societies/Clusters in all the centralised zones of powerloom units in a time bound manner by educating and spreading awareness among the stakeholders/entrepreneurs about the benefits of such group formations. Such a step will not only enable the Government to disseminate benefits of various developmental and welfare schemes in a cohesive and assured way but will also help in ensuring sustainable and inclusive growth of entire powerloom sector in the country.

Silk Sector

3.87 India is the second largest producer of silk in the World. Among the four varieties of silk produces, Mulberry accounts for 85% (15610 MT), Er 11.1% (2038 MT), Tasar 3.3% (603 MT) and Muga 0.6% (119MT) of the total raw silk production in the country.

3.88 Sericulture is an important labour-intensive and agro based cottage industry, providing gainful occupation to around 6.3 million persons in rural and semi-urban areas in India. Of these, a sizeable number of workers belong to the economically weaker sections of the society. There is substantial involvement of women in this industry.

3.89 The details of State-wise production of silk covering the period from 2004-05 to 2008-09 are given in **Annexure-II.**

3.90 The budgetary support provided to silk sector under Plan and Non-Plan heads and the status of their utilization is as under:

| <u>PLAN</u> | | | | | | | | | | | |
|-----------------------|---|-------------------------------------|---------------------------|-----------|----------------|---------------------------|-----------|-----------------|---------------------------|---------------------------|------------------------------|
| (Rs. In crore) | | | | | | | | | | | |
| | | | 2007-2008 | | | 2008-2009 | | | 2009-2010 | | |
| Sl. No | Name of the Scheme | Outlay for XI Plan (2007-12) | BE Approved by MOT | RE | Expe n. | BE Approved by MOT | RE | Expe nd. | BE Approved by MOT | RE Approved by MOT | Provisi onal Expen d. |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 1. | Research & Developm ent/Traini ng &IT Initiatives | 94.71 | 16.10 | 16.10 | 16.06 | 23.07 | 20.54 | 20.55 | 20.15 | 26.08 | 26.08 |

| | | | | | | | | | | | |
|----|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 2. | Seed Support & HRD | 46.50 | 10.86 | 10.86 | 11.30 | 13.75 | 17.72 | 17.71 | 18.03 | 12.03 | 12.03 |
| 3. | Catalytic Development | 661.62 | 81.01 | 81.01 | 80.82 | 76.73 | 90.74 | 90.74 | 75.57 | 146.12 | 146.12 |
| 4. | Quality Certifications Systems | 13.66 | 2.03 | 2.03 | 1.82 | 1.45 | 2.00 | 2.00 | 1.25 | 1.17 | 1.17 |
| | Total | 816.49 | 110.00 | 110.00 | 110.00 | 115.00 | 131.00 | 131.00 | 115.00 | 185.40 | 185.40 |

| NON-PLAN | | | | | | | | | | |
|-----------------------|---|---------------------------|---------------|----------------|---------------------------|---------------|----------------|---------------------------|---------------------------|----------------------------|
| (Rs. In crore) | | | | | | | | | | |
| | | 2007-2008 | | | 2008-2009 | | | 2009-2010 | | |
| Sl. No | Name of the Scheme | BE Approved by MOT | RE | Expend. | BE Approved by MOT | RE | Expend. | BE Approved by MOT | RE Approved by MOT | Provisional Expend. |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 1. | Research & Development/ Training & IT Initiatives | 58.58 | 57.72 | 57.72 | 61.39 | 87.25 | 89.42 | 100.20 | 106.88 | 107.74 |
| 2. | Seed Support & HRD | 49.42 | 50.28 | 50.28 | 53.56 | 76.05 | 73.88 | 99.80 | 106.46 | 105.60 |
| 3. | Catalytic Development | - | - | - | - | - | - | - | - | - |
| 4. | Quality Certifications Systems | - | - | - | - | - | - | - | - | - |
| | Total | 108.00 | 108.00 | 108.00 | 114.95 | 163.30 | 163.30 | 200.00 | 213.34 | 213.34 |

3.91 The status of physical targets for silk sector during last three years is given at **Annexure-III.**

3.92 On scrutiny of the financial and physical performance of the Ministry, the Committee noticed that the Ministry have been successful in fully achieving the allocated funds for silk sector during last three years. However, there has been shortfall in achieving physical targets during each of the last three years. When asked how the allocated funds were utilized fully leaving physical targets unachieved, the Ministry replied as under:

‘Though financial progress upto March 2010 is 100%, the physical progress can be possible only after release and utilization of the amount by agencies implementing various schemes. In the sericulture sector, infrastructure like plantation, rearing houses etc. have to be created in the initial years of the plan period to achieve the physical targets of the silk production. However, allocation for the first and second year was far below the twenty per cent of the total plan allocation itself. Adequate funds could be received only in 2009-10 and with the enhanced allocation of 2010-11 physical targets are expected to be achieved by the end of the plan period.’

3.93 The total area under sericulture in the country *vis-à-vis* targets and achievements of the Ministry of Textiles with regard to XIth five year plan are as under:

| Sl.No. | Particulars | XI Plan targets (end of 2011-12) | Achievement | | |
|--------|---|----------------------------------|---------------|---------------|---------------------|
| | | | 2007-08 | 2008-09 | 2009-10 (April-Jan) |
| 1. | Mulberry area (lakh hectare) | 2.18 | 1.85 | 1.78 | 1.89 |
| 2. | Raw Silk Production (MT) (i) Mulberry (ii) Non-Mulberry | 23,000 | 16,245 | 15,610 | 12,574 |
| | (a) Tasar | 420 | 428 | 603 | 609 |
| | (b) Eri | 2,390 | 1,530 | 2,038 | 1,365 |
| | (c) Muga | 190 | 117 | 119 | 75 |
| | Sub Total | 3,000 | 2,075 | 2,760 | 2,049 |
| | Grand Total | 26,000 | 18,320 | 18,370 | 14,623 |

3.94 The estimated demand for raw silk in the domestic market for last five years is as under:

| Sl.No. | Year | Demand (in MT) |
|--------|---------|----------------|
| 1. | 2004-05 | 25,000 |
| 2. | 2005-06 | 25,500 |
| 3. | 2006-07 | 26,000 |
| 4. | 2007-08 | 26,500 |
| 5. | 2008-09 | 27,000 |

3.95 The above table shows that the domestic demand is increasing by about 500 metric tones every year. The Committee noticed that there is shortfall in meeting the domestic demand for silk in the country.

3.96 Following are the details of raw silk imported during last five years, as furnished by the Ministry:

| Sl.No. | Year | Quantity (in MT) |
|---------------|-------------|-------------------------|
| 1. | 2004-05 | 7,948 |
| 2. | 2005-06 | 8,383 |
| 3. | 2006-07 | 5,565 |
| 4. | 2007-08 | 7,922 |
| 5. | 2008-09 | 8,392 |

3.97 Taking into account the increasing domestic demand as well as the import of silk, the Committee asked the Ministry about the steps taken to improve the production of silk in the country. The Ministry replied as under:

Yes, the domestic production of raw silk is not adequate to meet the domestic and export demand. The gap of raw silk nearly 8700 MT in demand is mainly on account of the fact that high-grade quality mulberry raw silk is not being produced in the country to the extent required by the industry. This quality of mulberry raw silk is basically required in the power-loom industry, for export purposes, and to some extent in the handloom industry for warp purposes. To meet the demand of exporters, the Govt. has allowed the import of raw silk.

Keeping in view the importance of production of high-grade bivoltine raw silk in bulk quantity to reduce imports and meet increased domestic demand besides creating more employment in rural / semi-urban areas through sericulture practices and silk

Industries, the Catalytic Development Programme implemented during X Plan, is continued during the XI Plan (2007-12) with modifications along with certain new initiatives. Emphasis has been made for the development of post cocoon areas including viable systems for cocoon and yarn marketing, reeling, processing, weaving etc. under State and Co-operative sector.'

3.98 The Ministry further informed that during the XI Plan (2007-12), an additional area of 26,000 hectares of mulberry plantation is proposed to be raised in the Country and proposed to reach 26000 MTs of raw silk in the country by the end of XI Plan (2011-12), which includes 5000 MTs of Superior Quality Bivoltine raw silk and 3000 MTs of Vanya Raw silks. In order to achieve these targets, the implementation of Catalytic Development Programme is continued during XI Plan with certain modifications and certain new initiatives. For achieving the above targets, CDP is being implemented through project mode in packages under 3 sectors viz. Seed, Cocoon and Post-cocoon sectors supported by the Support Service sector in order to benefit all categories of beneficiaries like farmers, reelers & weavers. Within each package, flexibility has been built-in to cater to the specific needs of different Seri-zones in the country. The components under CDP are beneficial for both existing and new farmers for practicing sericulture. The State Departments are identifying the existing as well as the new farmers and offer the components according to their requirements from out of the basket of components. Based on the proposals received from the States, Rs.80.82 crores in 2007-08, Rs.90.74 crores in 2008-09 and Rs.83.38 crores during the current

financial year 2009-10 (up to January, 2010) have been released towards implementation of various schemes / components under CDP.

3.99 On the strategy of the Government to provide the desired pace and direction to silk sector. The Ministry stated that:

‘There is a need to increase silk production in the country to meet the gap between demand and supply. In the XI Plan period various schemes are being implemented to increase silk production in the country by bringing new areas under silk production and by improving quality so that output can be more from the existing levels of sericultural activities, through transfer of technology under Cluster Promotion Programmes with major thrust on the following:

1. Systematic development and strengthening of silkworm seed production in all the sectors ensuring healthy commercial seed and guaranteed production.
2. Improvement in productivity of silkworm food plants through soil enrichment adopting eco-friendly measures.
3. Knowledge building and skill upgradation through well organized training programme at all levels of stakeholders/participants of the Industry.
4. Support for infrastructure improvement to enable stakeholders to meet industry expectations.’

3.100 The Committee observe that there have been remarkable variations in financial and physical targets in sericulture sector during the last three years. The budget allocated to the sector has been fully utilized every year but the targets set for various developmental activities remained unachieved to a large extent. According to the explanation obtained from the Ministry, the physical progress was possible only after release and utilization of the amount by agencies implementing various schemes. The Committee outright reject reply of the Ministry since coordinating physical and financial targets is an important component of the planning process. When budget is estimated for a particular activity/scheme, it is very much imperative to complete the given task, if funds allocated for the purpose are to be utilized fully. The Committee, therefore strongly recommend that the Ministry should review and rectify the inaccuracies which have crept in, in the implementation of the schemes pertaining to silk sector under which physical targets remained unachieved.

3.101 The Committee also observe that due to shortage of raw silk production in the country, the quantity of imports is increasing year after year. Though the total raw silk production is also growing every year but not in proportion to the increase in domestic demand. More so, the funds allocated to silk sector are too meagre and the targets fixed are unrealistic with regard to the scope and need of silk/silk products in the country. The Committee, therefore, urge the Government to devise a well planned strategy to expand the area under silk production in the country with the pace it requires. New areas should also be ventured into for the purpose and effective awareness programmes be launched to motivate people for silk farming. Considering the imperative need for increasing silk production, new areas and varieties of silk need exploration including the oak silk which can be produced in large quantities in the hills of Himachal and Uttrakhand. The Committee further recommend that the targets under various developmental schemes for various types of silk be revised and fixed State-wise and required funds made available

accordingly. The schemes or proposals so worked out may be furnished to the Committee.

Handloom Weavers' Comprehensive Welfare Scheme:

3.102 This Scheme has been framed by the Government by merging two separate Schemes namely the 'Health Insurance Scheme' for providing healthcare facilities to the Handloom weavers in the country and 'Mahatma Gandhi Bunkar Bima Yojana' for providing Life Insurance cover to the handloom weavers in case of natural/accidental death, total/partial disability due to accident.

Office of the Development Commissioner for Handlooms is responsible for implementing the above schemes.

(1) The Health Insurance Scheme:

3.103 The Health Insurance Scheme is implemented through the ICICI Lombard General Insurance Company Ltd. The Scheme covers not only the weaver but his wife and two children also. The ancillary handlooms workers like those engaged in warping, winding, dyeing, printing, finishing, sizing, Jhala making, jacquard cutting etc. are also eligible to be covered under the scheme. The scheme covers all pre-existing diseases. The annual limit per family is Rs. 15,000/- out of which OPD cover will be Rs., 7500/-. The total premium under the scheme has been reduced to Rs. 781.60/- (including Service Tax) during the 11th Plan from Rs. 1000/- + Service Tax as existed during the 10th plan.

3.104 The existing Funding pattern under the scheme is as under:-

| | | |
|------|----------------------------|---|
| (i) | Weavers' share | Rs.139.13/- per weaver per annum |
| (ii) | Government of India' share | Rs.642.47/- per weaver per annum |
| | Total | Rs.781.60/- (Includes Service Tax) |

3.105 The details of total number of weavers covered under Health Insurance Scheme since its launch in November, 2005 till February, 2010 are given below:-

| Year | New | Renewal | Total |
|-------------|------------|----------------------|--------------|
| 2005-06 | 297558 | 1 st year | 297558 |
| 2006-07 | 197613 | 203514 | 401127 |
| 2007-08 | 1774034 | 1 st year | 1774034 |
| 2008-09 | 448782 | 1428552 | 1878334 |
| 2009-10 | 508932 | 98394 | 607326 |

3.106 Regarding the claim cases pending for settlement under the Scheme and the reasons for their pendency, the Ministry informed that as per the report received from the implementing agency namely ICICI Lombard General Insurance Company Ltd., there were 1,04,224 claims pending as on 31.1.2010. The details of these claims are as under:-

| Year | Health Insurance Scheme | |
|-------------|--------------------------------|---------------------------|
| | Claims pending | Reason of pendency |
| 2007-08 | 828 | Claims are in process |
| 2008-09 | 99172 | |
| 2009-10* | 4224 | |

* The policy started in September, 2009. The claims have been received recently.

3.107 The Committee noticed that a time period of 15 days has been fixed to settle the claims. Since the claims are pending of the year 2007-08 and 2008-09 also, the Committee enquired about the purpose of fixing the time period of 15 days for settling the claims. The Ministry replied as under:

Claims continue to be filed much beyond the expiry of the policy period as cut off date for receipt of claims had been stipulated in the erstwhile guidelines to enable the weavers an opportunity to file the claims to avail the benefits. Even though the claims pertain to the policy period 2007-08, the claims have only been received recently and are under process. The claims are some times preferred without completing the required formalities which needs to be taken up only after getting complete papers like vouchers and prescriptions for the medical treatment

etc. from the weavers. This takes some time as reported by the implementing agency.'

3.108 In response to the query of the Committee with regard to providing general health cover and critical illness cover to the weavers through the insurance schemes of two different companies *i.e* ICICI Lombard and LIC, the Ministry stated that the proposals of inclusion of seven critical illnesses was moved by the DC (HL) while proposing the HIS for the 11th plan. However, during the EFC meeting on 5.7.2007, the Joint Secretary (Insurance) had opined that the provision for critical illness need not be kept as part of HIS as LIC will be offering a similar product at a much cheaper cost within next month.

3.109 When asked whether the Government propose to provide critical illness cover to the weavers under this scheme, the representative of the Ministry replied that it is proposed to cover the Critical Illness under the scheme during 11th plan. The proposal to enhance the coverage for seven critical illness under HIS was not agreed to by the Ministry of Finance and it was decided that this could be covered under the new scheme to be launched by LIC .

3.110 When asked to justify the objective of proposing critical illness coverage to handloom weavers during 11th plan period as three years have already passed, the Ministry stated as under:

‘Inclusion of the seven critical illness will entail an increase in the premium amount which will be an additional burden on the weaver if it is included in the existing scheme. Moreover, additional funds would be required to enable the Government of India share of this coverage also. Hence, a detailed working of the financial implication has to be done in consultation with the Planning Commission and the Ministry of Finance.’

(2) MAHATMA GANDHI BUNKAR BIMA YOJANA (MGBBY)

3.111 A new Insurance Scheme called Mahatma Gandhi Bunkar Bima Yojana (MGBBY) was launched on 2 October 2005, to provide insurance cover to the handloom weavers in case of natural as well as accidental death with a reduced premium. The Scheme is being implemented through Life Insurance Corporation of India. The annual premium under the scheme is Rs. 330/- of which Government of India's share is Rs. 150/-, Weaver's share is Rs. 80/-, and LIC's share is Rs. 100/- per annum.

Eligibility :-

- The weaver should be earning at least 50% of his income from handloom weaving.
- All weavers, whether male or female, between the age group of 18 and 59 years are eligible to be covered under the scheme.

- Weavers being regular members of a Co-operative Societies/State Handloom Development Corporations are eligible to be covered under the scheme.
- Weavers outside cooperatives can also be covered under the scheme on a certificate from the State Director in-charge of Handlooms that they are fulfilling the eligibility conditions.

Benefits:-

3.112 The annual premium during the 11th plan has been kept at the level of the X Plan but the benefits under the Mahatma Gandhi Bunkar Bima Yojana have been substantially increased during the 11th Plan as compared to those that existed during the 10th plan, as per the details given below:

| Sl. No. | | Benefits during the 10 th plan | Benefits from 1.10.07 |
|---------|--------------------|---|-----------------------|
| (i) | Natural Death | Rs. 50,000/- | Rs. 60,000/- |
| (ii) | Accidental Death | Rs. 80,000/- | Rs. 1,50,000/- |
| (iii) | Total Disability | Rs. 50,000/- | Rs. 1,50,000/- |
| (iv) | Partial Disability | Rs. 25,000/- | Rs. 75,000/- |

Additional Benefits:-

3.113 The “Mahatma Gandhi Bunkar Bima Yojana” also provides scholarship under “Shiksha Sahyog Yojana”. to the children of parents who are covered under Mahatma Gandhi Bunkar Bima Yojana . A scholarship of Rs.300/- per quarter per child is available to students studying in standard IX to XII for a maximum period of four years or till they complete XII standard, whichever event occurs earlier. The benefit is restricted to two children of the member covered.

3.114 The State-wise number of weavers covered under the scheme during the last three years along with the number of claims settled are as under:

| <i>Sl. No.</i> | <i>Name of State</i> | <i>2007-08</i> | | 2008-09 | | 2009-10 (as on 31.12.2009) | |
|----------------|----------------------|------------------------|-----------------------|------------------------|-----------------------|-----------------------------------|-----------------------|
| | | <i>Weavers covered</i> | Claims settled | Weavers covered | Claims settled | Weavers covered | Claims settled |
| 1. | Andhra Pradesh | 83590 | 1332 | 122968 | 2079 | 54495 | 67 |
| 2. | Assam | 16490 | 80 | 64664 | 233 | 44061 | 1071 |
| 3. | Bihar | 4100 | 0 | 2282 | 6 | 463 | 09 |
| 4. | Chhattisgarh | 2407 | 10 | 2752 | 10 | 891 | 22 |
| 5. | Gujarat | 348 | 0 | 2175 | 0 | 858 | 0 |
| 6. | Haryana | 2128 | 14 | 3563 | 30 | 183 | 173 |
| 7. | Himachal Pradesh | 610 | 05 | 9915 | 13 | 1562 | 16 |
| 8. | J & K | 493 | 01 | 439 | 0 | 149 | 06 |
| 9. | Karnataka | 46784 | 196 | 31061 | 220 | 32607 | 195 |
| 10. | Kerala | 7314 | 01 | 9420 | 18 | 6955 | 10 |
| 11. | Madhya Pradesh | 3509 | 15 | 4396 | 56 | 1134 | 37 |
| 12. | Maharashtra | 719 | 9 | 654 | 13 | 76 | 0 |
| 13. | Orissa | 13856 | 151 | 29903 | 166 | 9562 | 165 |
| 14. | Punjab | - | - | - | - | 1880 | 04 |
| 15. | Rajasthan | 4291 | 12 | 2400 | 24 | 417 | 22 |
| 16. | Tamil Nadu | 205102 | 476 | 241239 | 535 | 239120 | 400 |
| 17. | Uttrakhand | 863 | 03 | 1380 | 11 | 491 | 06 |
| 18. | Uttar Pradesh | 14350 | 177 | 21560 | 194 | 8823 | 143 |

| | | | | | | | |
|-----|--------------|---------------|-------------|---------------|-------------|---------------|-------------|
| 19. | West Bengal | 59529 | 50 | 25138 | 87 | 6690 | 151 |
| | Total | 466484 | 2532 | 575909 | 3695 | 410417 | 2497 |

3.115 Stating the reasons for covering only 19 States under the Scheme so far and the status of remaining States, the Ministry replied as under:

‘Life Insurance is a matter of solicitation and is based on the preference of weavers. The number of weavers to be enrolled depends upon the budget allocation for the scheme and the target number of enrolments under MGBBY has been achieved. However, if budgetary allocation is increased, more weavers can be covered.’

3.116 Regarding the plans of the Government for providing coverage to all the weavers of the country under the Scheme, the Ministry replied that subject to provision of additional funds, all the weavers could be covered.

3.117 The details regarding total number of claims received and settled by LIC during last one year are as under:

| Year | Claims received | Claims settled |
|-------------------------------|------------------------|-----------------------|
| 2007-08 | 2532 | 2532 |
| 2008-09 | 3800 | 3695 |
| 2009-10 (upto December, 2009) | 2501 | 2497 |
| Total | 8833 | 8724 |

3.118 The number of claim cases pending for settlement under the Scheme at present and the reasons for their pendency is given below:

| Year | No. of claims pending | Reasons for pendency |
|-------------------------------|------------------------------|-----------------------------|
| 2007-08 | NIL | NIL |
| 2008-09 | 105 | Claims in process |
| 2009-10 (upto December, 2009) | 04 | Claims in process |

3.119 As regards the time period fixed for settling the claim cases received under MGBBY along with the reasons for delay in settlement of pending 109 cases, the Ministry replied as under:

‘Under MGBBY, the LIC has to settle the claims within one month from the date of receipt of claim. The LIC has been advised to ensure timely settlement of claims. Out of the claim pending for settlement as of January, 2010, 32 claims are pending. These claims are pending for want of requirements like death certificate, name of legal heir etc. by the Nodal Agency. The Implementing Agency has been advised to settle these cases shortly.’

3.120 The Committee were informed that the proposal for extension of age limit for handloom weavers from 58 to 70 years under MGBBY is under active consideration of the Government. The matter is pending with Government since last two years. When asked to why such welfare measure is being protracted for so long and when a final decision is likely to be taken, the Ministry replied as under:

The proposal of enhancement of age limit from 58 to 70 years under MGBBY has been circulated for consideration by the Planning Commission and the Ministry of Finance. Meanwhile, the Ministry of Finance have opined that –

(a) Several insurances schemes are being run by different Ministries. There appears to be a need of convergence of these schemes.

(b) The other similar schemes such as Aam Admi Bima Yojana, Khadi Karigar Janshree Bima Yojana and Janshree Bima Yojana, all cover age group upto 18-59 years only. Therefore, the proposed extension of the age bracket and that too with entire burden of increase in premium on account of extension of age limit to be borne by Government of India does not seem warranted.

In view of the above the matter was again referred to the Ministry of Finance for a sympathetic re-consideration. However, the final comments are awaited.’

3.121 The Committee are disheartened to note that as many as 1,04,224 claim cases covering the time period from 2007-08 to 2009-10 are pending for settlement under the Health Insurance Scheme (HIS). The time period fixed for settling claims under the Scheme is 15 days. The Committee take a very serious view of such a perfunctory approach of the Government towards the welfare issues of needy weavers who belong to the disadvantaged strata of the society. It hardly needs reiteration that the very purpose of providing health insurance is frustrated if the claims are not settled in time. They therefore, recommend that immediate and urgent steps be taken to settle all the 1,04,224 pending claims within two months. Henceforth, every claim case received under the Scheme should invariably be settled within the stipulated time frame so that the Scheme does not lose its sheen and the weavers get the intended benefits well in time.

3.122 The Committee feel that the cap of Rs.15,000 per annum, per family under health insurance scheme to provide healthcare facilities to weavers is rather too meagre. Moreover, critical illnesses are not covered under it. The Committee, therefore, recommend that in view of the rising cost of medical tests, medicines etc. the ceiling under the scheme should be raised to at least Rs.50,000/- per annum per family. Further, the Committee do not accept contention of the Government that critical illnesses will be covered under a separate scheme proposed to be launched by the LIC. The Committee are of the considered view that all the healthcare facilities should be provided under one umbrella scheme to the weavers keeping in view their lesser educational qualification. They, therefore, further recommend that either both, the general health care as well as the critical illness cover, be given under HIS or general health care facilities also be included in the new scheme of LIC. The Committee also impress upon the Government that the decision in the matter be taken at the earliest and a complete healthcare package be extended to weavers from the second quarter of the current financial year i.e. 2010-11.

3.123 The Committee are concerned to note that the coverage under MGBBY is very low considering the total population of weavers in the country. A total number of 4,66,484 weavers have been covered during 2007-08, 5,75,909 in 2008-09 and 4,10,417 in 2009-10 (upto 31.12.2009) where as the estimated number of weavers in the country is above 1 crore. More so, this coverage also includes renewal cases in the subsequent years. The Committee also note that coverage has been extended to the weavers in 19 States only. When asked about the action plan to cover weavers of remaining States, the Ministry merely stated that additional funds would be required for the purpose. The Committee recommend that the matter should be taken up with the Ministry of Finance vigorously for allocation of additional funds under the Scheme. Thereafter, special drives should be launched to identify the weavers and cover them under the Scheme in all those States which remain uncovered. The Committee also recommend that immediate steps be taken to settle all the 109 claims pending under the Scheme and a proper mechanism be devised to make the process of claim settlement quick and hassle free in future.

3.124 The Committee are distressed to note that despite repeatedly stressing the need to raise the upper age limit from 58 to 70 years for coverage under MBBY, the Government are not at all taking up the issue with the seriousness it deserves. The Government simply stated that the matter was under active consideration. The Committee deprecate such a languid approach of the Government in deciding issues meant for the welfare of hapless weavers. The Committee reiterate that insurance coverage to weavers upto the age of 70 years be extended expeditiously.

**New Delhi;
16 April, 2010
26 Chaitra, 1932 (Saka)**

**HEMANAND BISWAL
CHAIRMAN
STANDING COMMITTEE ON LABOUR**

Sector/ Schemes wise Plan Outlay & Expenditure during 2009-2010

(Rs. in crore)

| Sl. No. | Name of Sector/Scheme | Annual Plan 2009-10 | | | | |
|--|--|----------------------------|---------------|----------------------------------|------------------|------------------|
| | | BE | RE | Exp (upto 31.03.10) (P) # | % over BE | % over RE |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| A. VILLAGE & SMALL INDUSTRY | | | | | | |
| 1 | HANDLOOM | | | | | |
| | <i>(1) Diversified Handloom Development Scheme</i> | 15.00 | 10.78 | 8.97 | 59.80 | 83.21 |
| | <i>(2) Handloom Weaver comprehensive Welfare Scheme</i> | 80.00 | 80.00 | 79.90 | 99.88 | 99.88 |
| | <i>(3) Millgate Price Scheme</i> | 25.00 | 29.22 | 29.22 | 116.88 | 100.00 |
| | <i>(4) Marketing & Export Promotion Scheme (CSS)</i> | 40.00 | 40.00 | 27.26 | 68.15 | 68.15 |
| | <i>(5) Intergrated Handloom Development Scheme (CSS)</i> | 95.00 | 95.00 | 92.82 | 97.71 | 97.71 |
| | <i>(6) Lumsump Provision for NER</i> | 85.00 | 85.00 | 76.09 | 89.52 | 89.52 |
| | Total(Handlooms) | 340.00 | 340.00 | 314.26 | 92.43 | 92.43 |
| 2 | SERICULTURE | | | | | |
| | <i>(1) Grants toward Administrative expenses</i> | 10.00 | 10.00 | 10.00 | 100.00 | 100.00 |
| | <i>(2) Grants toward Development of Silk Industries</i> | 87.50 | 127.50 | 127.50 | 145.71 | 100.00 |
| | <i>(3) Lumsump Provision for NER</i> | 17.50 | 47.90 | 47.90 | 273.71 | 100.00 |

| Sl. No. | Name of Sector/Scheme | Annual Plan 2009-10 | | | | |
|---------|--|---------------------|---------------|---------------------------|-----------|-----------|
| | | BE | RE | Exp (upto 31.03.10) (P) # | % over BE | % over RE |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| | Total (Sericulture) | 115.00 | 185.40 | 185.40 | 161.22 | 100.00 |
| 3 | HANDICRAFTS | | | | | |
| | (1) Design & Technical Development | 10.00 | 10.00 | 9.51 | 95.10 | 95.10 |
| | (2) Baba Saheb Ambedkar Hastshilp Vikas Yojana | 46.09 | 46.09 | 40.63 | 88.15 | 88.15 |
| | (3) Marketing Support & Services | 40.46 | 40.46 | 39.63 | 97.95 | 97.95 |
| | (4) Integrated Devp. Package for J&K | | | | | |
| | (5) Human Resource Development | 4.22 | 4.22 | 4.22 | 119.19 | 119.19 |
| | (6) Research & Development | 7.13 | 7.13 | 4.31 | 60.45 | 60.45 |
| | (7) Construction of Building including (handicraft Bhawan) | 4.50 | 4.50 | | | |
| | (8) Welfare and Other Scheme | 53.60 | 53.60 | 51.52 | 96.11 | 96.11 |
| | (9) Lumpsum Provision for the benefit of NER | 54.00 | 55.66 | 49.69 | 92.02 | 89.27 |
| | Total(Handicraft) | 220.00 | 221.66 | 199.51 | 90.69 | 90.01 |
| 4 | POWERLOOMS | | | | | |
| | (1) Group Insurance Scheme | | | | | |
| | (2) Group Work Scheme & Integrated Powerloom Cluster Devp. | 10.00 | 13.64 | 12.31 | 123.10 | 90.25 |
| | Total(Powerlooms) | 10.00 | 13.64 | 12.31 | 123.10 | 90.25 |

| Sl. No. | Name of Sector/Scheme | Annual Plan 2009-10 | | | | |
|----------------------------------|--|---------------------|---------------|---------------------------|-----------|-----------|
| | | BE | RE | Exp (upto 31.03.10) (P) # | % over BE | % over RE |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 5 | WOOL & WOOLENS | | | | | |
| | <i>Wool Development Board</i> | 15.00 | 15.00 | 15.00 | 100.00 | 100.00 |
| | Total(Wool & Woollen) | 15.00 | 15.00 | 15.00 | 100.00 | 100.00 |
| 6 | Development of Mega Clusters | 50.00 | 40.00 | 33.55 | 67.10 | 83.88 |
| | Total Grand (VSI) | 750.00 | 815.70 | 760.03 | 101.34 | 93.18 |
| B. INDUSTRY & MINERAL | | | | | | |
| 7 | <i>NIFT</i> | 32.25 | 136.64 | 136.64 | 423.69 | 100.00 |
| 8 | <i>R & D including TRAs</i> | 10.00 | 10.00 | 10.00 | 100.00 | 100.00 |
| 9 | <i>TUFS</i> | 3140.00 | 3081.19 | 2885.98 | 91.91 | 93.66 |
| 10 | <i>Scheme for Integrated Textile Park</i> | 397.00 | 285.00 | 260.80 | 65.69 | 91.51 |
| 11 | <i>Jute Technology Mission</i> | 70.00 | 68.00 | 68.00 | 97.14 | 100.00 |
| 12 | <i>Export Promotion Studies</i> | 1.00 | 0.70 | 0.23 | 23.00 | 32.86 |
| 13 | <i>Sardar Vallabhbhai Patel Institute of Textile Management Coimbatore</i> | 5.25 | 5.25 | 5.25 | 100.00 | 100.00 |
| 14 | <i>Brand Promotion Scheme \$</i> | 6.48 | 2.28 | | | |
| 15 | <i>Foreign Investment Promotion Scheme (FDI) \$</i> | 0.01 | 4.21 | 4.01 | 71.02 * | 71.02 |
| 16 | <i>Textipolis \$</i> | 1.00 | 0.01 | | | |
| 17 | <i>Setting up of Fasion Hub \$</i> | 1.00 | 1.00 | | | |
| 18 | <i>Common Compliance Code\$</i> | 0.01 | 0.01 | | | |
| 19 | <i>Human Resources</i> | 8.00 | 0.01 | | | |

| Sl. No. | Name of Sector/Scheme | Annual Plan 2009-10 | | | | |
|---------|--|---------------------|----------------|---------------------------|-----------|-----------|
| | | BE | RE | Exp (upto 31.03.10) (P) # | % over BE | % over RE |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| | <i>Development \$</i> | | | | | |
| 20 | <i>Textile Engineering including Jute \$</i> | | | | | |
| 21 | <i>Technical Textiles including Jute</i> | 18.00 | 30.00 | 30.00 | 166.67 | 100.00 |
| 22 | <i>Cotton Technology Mission (CSS)</i> | 60.00 | 60.00 | 50.00 | 83.33 | 83.33 |
| | Sub Total(B) | 3750.00 | 3684.30 | 3450.91 | 92.02 | 93.67 |
| | GRAND TOTAL (A+B) | 4500.00 | 4500.00 | 4210.94 | 93.58 | 93.58 |

\$: The scheme is under formulation

P; Provisional

* Per cent over RE

#: Based on releases from PAO

| Sl No. | <u>Name of Sector/ Scheme</u> | Annual Plan 2009-10 | |
|-------------------------------------|--|--|---|
| | | Physical Target | Achievements |
| 1 | 2 | 3 | 4 |
| VILLAGE & SMALL INDUSTRY | | | |
| 1 | HANDLOOMS | | |
| (i) | <i>Diversified Handloom Development Scheme</i> | To conduct 250 Nos. of Design exhibition-cum-dyeing workshops through WSCs (b) Issue of Photo Identity cards to about 50 lakh eligible handloom weavers and workers. | 116 Workshops sanctioned. I.Cards will be provided after completion of field work of Handloom Census Tentatively by September, 2010. |
| (ii) | <i>Handloom Weaver comprehensive Welfare Scheme</i> i) <i>Health Insurance Scheme;</i> ii) <i>Mahatma Gandhi Bunker Bima Yojana</i> | 18.00 Lakh Weavers to be covered under Health Insurance Scheme and 6.00 Lakh Weavers to be covered under Mahatma Gandhi Bunker Bima Yojana . | 6.07 lakh weavers have been covered under Health Insurance Scheme and 4.10 lakh weavers covered under Mahatma Gandhi Bunker Bima Yojana |
| (iii) | <i>Millgate Price Scheme</i> | 850 lac kgs. of yarn to be supplied | 822.89 lac kgs. of yarns has been supplied upto January, 2010 |
| (iv) | <i>Marketing & Export Promotion Scheme</i> | 35 National / Spl Expos 300 District Level Events 08-Crafts Melas 01-National Award Geographical Indication1 Marketing Complex 15 Export Projects per year 10 Participation in International Fairs | 540 Events approved 13 Export Projects per year Participation in International Fairs -10 |
| (v) | <i>Integrated</i> | 100 clusters | 12.97 lakh weavers covered |

| SI No. | <u>Name of Sector/ Scheme</u> | Annual Plan 2009-10 | |
|----------|---|--|--|
| | | Physical Target | Achievements |
| | - | | |
| 1 | 2 | 3 | 4 |
| | <i>Handloom Development Scheme</i> | 9,00,000 weavers | under various components of IHDS (upto Jan, 2010) |
| (vi) | <i>Lumsump Provision for NER</i> | | |
| 2 | <u>SERICULTURE</u> | | |
| (i) | <i>R&D/ Transfer of Technology /IT Initiative</i> | 1.Projects/Programmes Mulberry-109 2. Non-Mulberry-40 3. Post Cocoon-5 | 1. Mulberry-87 2. Non-Mulberry-31 3. Post Cocoon-9. |
| (ii) | <i>Seed Organization/ HRD</i> | Mulberry -297.62 lakh DFLs Tasar- 35.04 lakh DFLs; Eri 2.50 Lakh DFLs; Muga 1.74 Lakh DFLs | Mulberry 208.02 Lakh DFLs; Tasar 29.88 Lakh DFLs; Eri 1.76 Lakh DFLs; Muga 1.07 Lakh DFLs |
| (iii) | <i>Quality Certification Systems (QCS)</i> | 5 Nos. of Cocoon Testing Units 300 Member 300 Authorised Users, Sale of 22.00 lakh labels and 380 awareness programmes/events and roadshows | 4 nos of Cocoon Testing units 244 Members 240 Authorized users, Sale of 17.03 lakh labels & 299 awareness programmes/ events and Road shows |
| (iv) | <i>Catalytic Development Programme (CDP)</i> | Same as for question no. ten | |
| | <i>Lumsump Provision for NER</i> | | |
| 3 | <u>HANDICRAFTS</u> | | |

| Sl No. | Name of Sector/ Scheme | Annual Plan 2009-10 | |
|--------|---|--|--|
| | | Physical Target | Achievements |
| 1 | 2 | 3 | 4 |
| (i) | <i>Design & Technical Upgradation Development</i> | Design Workshops – 150 Design Projects-25 State Initiated Design Centres-2 Design Bank – 02 Museum – 03 Product Dev. for export-15 Total events (197) 120 clusters Domestic- 206 events Training Programme through Institutions-18 Programmes under Guru Shishya Prampara-70 Total events (88) International- 44 events | Design Workshops – 130 Design Projects-18 State Initiated Design Centres-4 Design Bank – 03 Museum – 7 Total events (162) 125 clusters Domestic 183(Gandhi Shilp Bazar/ Craft Bazar/Sourcing show),emporium etc 126 – Exhibitions 183 other events like workshop etc. Total events (492) International-65 7 ,Institutional training programmes 140 Programmes under Guru Shishya Prampara- Total events (147) |

| Sl No. | Name of Sector/ Scheme | Annual Plan 2009-10 | |
|----------|------------------------------|--|---|
| | | Physical Target | Achievements |
| 1 | 2 | 3 | 4 |
| (iii) | Marketing & Support Services | | |
| (iv) | Human Resource Development | <p>Bima Yojana – 1,00,000</p> <p>RGSSBY – 8,00,000</p> | <p>JBY 9,66,000-RGSSBY-10,10,000</p> <p>Total Artisans of Bima & RGSSBY covered. 19,76,000</p> <p>Design Workshops – 130</p> <p>Design Projects-18</p> |
| | | <p>Design Workshops – 150</p> <p>Design Projects-25</p> <p>State Initiated Design Centres-2</p> <p>Design Bank – 02</p> <p>Museum – 03</p> <p>Product Dev. for export-15</p> <p>Total events (197) 120 clusters</p> | <p>State Initiated Design Centres-4</p> <p>Design Bank – 03</p> <p>Museum – 7</p> <p>Total events (162)</p> <p>125 clusters</p> |
| (v) | Research & Development | Domestic- 206 events | <p>Domestic</p> <p>183(Gandhi Shilp Bazar/ Craft Bazar/Sourcing show),emporium etc</p> <p>126 – Exhibitions</p> <p>183 other events like workshop etc.</p> <p>Total events (492)</p> |

| Sl No. | <u>Name of Sector/ Scheme</u> | Annual Plan 2009-10 | |
|--------|---|---|--|
| | | Physical Target | Achievements |
| 1 | 2 | 3 | 4 |
| | | International-44 events | International-65 |
| (vi) | Construction of Building including (handicraft Bhawan) | Training Programme through Institutions-18 Programmes under Guru Shishya Prampara-70 Total events (88) | 7 ,Institutional training programmes 140 Programmes under Guru Shishya Prampara- Total events (147) |
| (vii) | Welfare and Other Scheme | 10 studies, census of handicraft artisans of additional 20% of districts of 4 Regions & 40% of districts of 2 Regions | 30 New studies,17 ws and Census in six regions has been finalized. |
| (viii) | Lumsump Provision for the benefit of NER | | |
| 4 | <u>POWERLOOMS</u> | | |
| (i) | Group Insurance Scheme | To cover 1.39 lakh workers during 2009-10 | 91131 workers |
| (ii) | Group Work Scheme & Integrated Powerloom Cluster Development. | 17 projects approved, under implementation - | 0.799 |
| 5 | <u>WOOL & WOOLLENS</u> | | |

| SI No. | <u>Name of Sector/ Scheme</u> | Annual Plan 2009-10 | |
|----------|---|---|---|
| | | Physical Target | Achievements |
| | - | | |
| 1 | 2 | 3 | 4 |
| | Wool Development Board | | |
| (i) | Improvement of wool Fibre | | |
| a. | Sheep & Wool Improvement Scheme | | |
| | Sheep | | |
| | Ongoing (No.) | 22.0 lakh | 22.0 lakh |
| | New (No.) | 9.00 lakh | 6.00 lakh |
| | No. of Families | | |
| b. | Development Specialty Fibres –Angora Wool Development (Families) | Design Workshops – 150 Design Projects-25 State Initiated Design Centres-2 Design Bank – 02 Museum – 03 Product Dev. for export-15 Total events (197) 120 clusters | Design Workshops – 130 Design Projects-18 State Initiated Design Centres-4 Design Bank – 03 Museum – 7 Total events (162) 125 clusters |
| | | | |
| c. | Development of Specialty Fibre- Development of Pashmina. (Families) | Domestic- 206 events | Domestic 183(Gandhi Shilp Bazar/ Craft Bazar/Sourcing show),emporium etc |

| Sl No. | <u>Name of Sector/ Scheme</u> | Annual Plan 2009-10 | |
|--------|--|---|--|
| | | Physical Target | Achievements |
| 1 | 2 | 3 | 4 |
| | | International-44 events | 126 – Exhibitions 183 other events like workshop etc. Total events (492) International-65 |
| d. | Human Resource Development scheme & Promotional activities | Training Programme through Institutions-18 Programmes under Guru Shishya Prampara-70 Total events (88) | 7 ,Institutional training programmes 140 Programmes under Guru Shishya Prampara- Total events (147) |
| (ii) | Quality Processing of Wool | 10 studies, census of handicraft artisans of additional 20% of districts of 4 Regions & 40% of districts of 2 Regions | 30 New studies,17 ws and Census in six regions has been finalized. |
| a. | CFC for integrated wool Processing | | |
| b. | Quality Processing of Wool | Bima Yojana – 1,00,,000 RGSSBY – 8,00,000 | JBY 9,66,000-RGSSBY-10,10,000 Total Artisans of Bima & RGSSBY covered. 19,76,000 |
| (iii) | Social Security | | |

| SI No. | <u>Name of Sector/ Scheme</u> | Annual Plan 2009-10 | |
|-----------------------------------|---|---|--|
| | | Physical Target | Achievements |
| 1 | 2 | 3 | 4 |
| | scheme | | |
| a. | Sheep Breeders Insurance Scheme | 93500 shepherds | 14358 shepherds |
| b. | Sheep Insurance Scheme | 9 Lakh sheep | 423953 sheep |
| 6 | Development. of six Mega Clusters | Six centres at Varanasi and Sibsagar for handlooms; Bhiwandi and Erode for powerlooms; and Narsapur and Moradabad for handicrafts for Development of Mega clusters. | . |
| B. INDUSTRY & MINERALS | | | |
| 7 | <i>NIFT</i> | Building renovation and providing academic infrastructure in new center at Rai Bareilly and Shillong | |
| 8 | <i>R & D including TRAs</i> | For textile related need based research projects | |
| 9 | <i>TUFS</i> | The scheme is in operation w.e.f 1.4.1999. As on 31.3.2009, the scheme has invited 23754 applications with project cost Rs.1,57,520 crore. | 27324 applications involving projects cost worth Rs.201511 crore has been sanctioned as on 30.09.2009. |
| 10 | <i>Scheme for Integrated Textile Park</i> | For completion of 40 ongoing SITP projects | Projects are at various stages of implementation |

| Sl No. | <u>Name of Sector/ Scheme</u> | Annual Plan 2009-10 | |
|----------|---|--|--|
| | | Physical Target | Achievements |
| | - | | |
| 1 | 2 | 3 | 4 |
| 11 | <i>Export Promotion Studies</i> | | |
| 12 | <i>Jute Technology Mission</i> | Development of market yards-10 Construction of Departmental purchase centres-20 Dissemination of appropriate technology-200 | |
| 13 | <i>Sardar Vallabhbhai Patel Institute of Textile Management Coimbatore (SVPITM)</i> | | |
| 14 | <i>Cotton Technology Mission (CSS)</i> | MM-III -Development of Market yards (Total target-250) | 250 Project completed during the year-65(Total-192) as on November, 2009 |
| | | MM-IV - Modernization of G&P factories | 1013 Project completed during the year-182(Total-861) as on November, 2009 |
| | | (Total target 1000) | |
| 15 | <i>Technical Textiles including Jute</i> | Demand Driven | - |
| 16 | <i>Foreign Investment Promotion Scheme (FDI)</i> | Conducting initial market studies, meetings with possible investors in target countries, lobbying at Govt.level focused publicity campaigns, road shows, | 2.98 |

| Sl No. | <u>Name of Sector/ Scheme</u> | Annual Plan 2009-10 | |
|--|---|---|--------------|
| | | Physical Target | Achievements |
| | - | | |
| 1 | 2 | 3 | 4 |
| | | reverse meetings etc. | |
| 17 | <i>Common Compliance Code</i> | - | - |
| 18 | <i>Brand Promotion Scheme</i> | - | - |
| 19 | <i>Textipolis</i> | - | - |
| 20 | <i>Setting up of Fashion Hub</i> | - | - |
| 21 | <i>Textile Engineering including Jute</i> | - | - |
| 22 | <i>Human Resources Development</i> | To train 2.00 lakh persons under the segment Textile Apparel & related areas, Handlooms, Handicrafts, Jute, Sericulture and technical textiles etc. | - |
| Note: Schemes at sl. nos..16-22 are new schemes which are at various stages of approval and hence only token provisions are being allocated. | | | |

Statewise Mulberry and Vanya Rawsilk Production during the year 2004-05 & 2005-06

| State | 2004-05 | | | | | 2005-06 | | | | | 2006-07 | | | | | Mulberry |
|-------------------|----------|------------|------|------|----------------|----------|------------|------|------|----------------|----------|------------|-------|------|----------------|----------|
| | Mulberry | Vanya Silk | | | (M+V) Total | Mulberry | Vanya Silk | | | (M+V) Total | Mulberry | Vanya Silk | | | (M+V) Total | |
| | | Tasar | Eri | Muga | | | Tasar | Eri | Muga | | | Tasar | Eri | Muga | | |
| Karnataka | 7302 | - | - | - | 7302 | 7471 | - | - | - | 7471 | 7883 | - | - | - | 7883 | 8240 |
| Andhra pradesh | 5084 | 16 | 10 | - | 5110 | 5375 | 20 | 27 | - | 5422 | 5526 | 15.5 | 14 | - | 5556 | 4485 |
| Tamil Nadu | 443 | - | 0.6 | - | 444 | 739 | - | neg | - | 739 | 1125 | - | - | - | 1125 | 1368 |
| West Bengal | 1520 | 26 | 2 | 0.2 | 1548 | 1552 | 34 | 4 | 0.2 | 1591 | 1598 | 27 | 8 | 0.2 | 1633 | 1660 |
| Jammu & Kashmir | 90 | - | - | - | 90 | 95 | - | - | - | 95 | 102 | 1 | - | - | 103 | 105 |
| Assam | 9 | - | 554 | 104 | 667 | 8 | | 745 | 104 | 857 | 11 | - | 740 | 107 | 858 | 14 |
| Arunachal Pradesh | neg | - | 4 | 0.1 | 4 | 1 | neg | 10 | 0.24 | 11 | 0.40 | - | 5 | 1.4 | 6.8 | 1 |
| Bihar | 8 | 8 | 15 | - | 31 | 3 | 14 | 3 | - | 20 | 4 | 11 | 1.3 | - | 16 | 5 |
| Chattisgarh | 2.3 | 120 | 1 | - | 123 | 3 | 90 | 2 | - | 95 | 4 | 110 | 3.1 | - | 117 | 6 |
| Himachal Pradesh | 12 | - | - | - | 12 | 16 | - | - | - | 16 | 17 | - | - | - | 17 | 20 |
| Jharkhand | neg | 91 | 1 | - | 92 | 1 | 96 | neg | - | 97 | 1 | 120 | 0.2 | - | 121 | 1 |
| Kerala | 8 | - | - | - | 8 | 12 | - | - | - | 12 | 14 | | | - | 14 | 14 |
| Madhya Pradesh | 14 | 14 | - | - | 28 | 23 | 16 | - | - | 39 | 30 | 16 | 10.00 | - | 56 | 50 |
| Maharastra | 37 | 5 | - | - | 42 | 44 | 6 | - | - | 50 | 80 | 7 | - | - | 87 | 125 |
| Manipur | 54 | 3 | 431 | 0.1 | 488 | 48 | 3 | 235 | 0.06 | 286 | 70 | 3 | 374 | 0.2 | 447 | 80 |
| Mizoram | 2.5 | - | 327 | 5.4 | 335 | 3 | - | 280 | 5.4 | 288 | 6 | 0.2 | 4.2 | 0.2 | 11 | 6 |
| Meghalaya | 5 | neg | 3 | 0.1 | 8 | 6 | neg | 3.2 | 0.07 | 9 | 1.25 | - | 202 | 5.8 | 209 | 2 |
| Nagaland | 0.5 | 0.2 | 98 | 0.1 | 99 | 1 | neg | 130 | 0.18 | 131 | 1.25 | 0.15 | 115 | 0.2 | 117 | 1 |
| Orissa | 2 | 33 | 1 | - | 36 | 2 | 21 | 2 | - | 25 | 2.10 | 35 | 4.1 | - | 41 | 3 |
| Punjab | 4 | - | - | - | 4 | 4 | - | - | - | 4 | 4 | - | - | - | 4 | 5 |
| Rajasthan | 0.3 | - | - | - | 0.3 | 0 | - | - | - | - | 0.30 | - | - | - | 0.3 | 0.30 |
| Sikkim | - | - | - | - | 0 | - | - | - | - | - | 0.20 | - | 0.1 | - | 0.3 | 0.20 |
| Tripura | 4 | - | - | - | 4 | 4 | - | - | - | 4 | 5 | - | - | - | 5 | 8 |
| Uttarakhand | 9.5 | 2 | - | - | 12 | 19 | 3 | 0.5 | - | 23 | 14 | 0.15 | - | - | 14 | 15 |
| Uttar Pradesh | 9 | 4 | 0.6 | - | 14 | 14 | 5 | neg | neg | 19 | 25 | 4 | 4 | - | 33 | 30 |
| Total | 14620 | 322 | 1448 | 110 | 16500 | 15445 | 308 | 1442 | 110 | 17305 | 16525 | 350 | 1485 | 115 | 18475 | 16245 |

SS: 26-03-2010

ANNEXURE-III

| Sl. no. | Name of the Scheme/project / programme | Physical target | Achievement 2007-08 | Shortfall, if any | Physical Target | Achievement 2008-09 | Shortfall, if any | Physical Target | Achievement 2009-10 | Shortfall, if any | % Achievem ent for last three years | 2010-11 Target |
|---------|--|--|--|--|--|---|---|---|--|-------------------|-------------------------------------|---|
| 1. | 2. | 3. | 4. | 5. | 6. | 7. | 8. | 9 | 10 | 11 | 12 | 13 |
| | <u>SERICULTURE</u> | | | | | | | | | | | |
| | <i>R&D/Transfer of Technology /IT Initiative</i> | Mulberry-Project - 221 Non Mulberry-Project 66 Post Cocoon projects-17 | Mulberry-Project -217 Non Mulberry-Project- 49 Post Cocoon projects-16 | 6 projects extended by RAC3 projects extended by RAC; 14 projects not approved1 projects extended by RAC | Mulberry-Project 175 Non Mulberry-Project 66 Post Cocoon projects-36 | Mulberry-Project -146 Non Mulberry-Project 49 Post Cocoon projects-33 | 7 projects extended by RAC; 22 projects not approved3 projects extended by RAC; 14 projects not approved1 projects extended by RAC; 2 projects not approved | Mulberry-Project - 109 Non Mulberry-Project 40 Post Cocoon projects-5 | Mulberry-Project -87 Non Mulberry-Project- 31 Post Cocoon projects-9 | | | Mulberry-Project -20 Non Mulberry-Project8 Post Cocoon projects-3 |

| Seed Organization/ HRD | | | | | | | Units: Dfls production in Lakh Nos. and Procument/Sale of Cocoons in Lakh cocoons) | | | | | |
|--|------------------------------|--------|--------|--|--------|--------|--|--------|--------|--|--|--------|
| | NSSP- Mulberry | 269 | 174.62 | | 286 | 279.52 | | 297.62 | 208.02 | | | 295 |
| | Non Mulb.Seed sector | | | | | | | | | | | |
| 1 | B T S S O | 25.04 | 32.07 | | 30.01 | 34.04 | | 35.04 | 29.88 | | | 36.80 |
| 2 | M S S O | 2.72 | 1.36 | | 3.24 | 1.14 | | 1.74 | 1.07 | | | 1.83 |
| 3 | E S S O | 2.50 | 2.50 | | 1.62 | 1.03 | | 2.5 | 1.76 | | | 2.63 |
| | HRD/Admn of CSB | | | | | | | | | | | |
| 4 | R M B Proc. | 190.00 | 130.57 | | 135.00 | 198.86 | | 200.00 | 53.22 | | | 210.00 |
| | Sale | 190.00 | 114.51 | | 135.00 | 135.30 | | 200.00 | 128.40 | | | 210.00 |
| 5 | MRMB Proc. | 15.00 | 8.20 | | 9.50 | 4.80 | | 9.50 | 4.03 | | | 10.00 |
| | Sale | 13.00 | 7.36 | | 8.00 | 4.80 | | 8.00 | 4.02 | | | 8.50 |
| \$\$ RMB and MRMB procure cocoons to stabilize market prices. Low procurement and sale is due to high prevailing market prices above the floor price fixed by the RMBs. The basic objectives of RMBs in achieving fair and economic price to primary producers have been achieved. | | | | | | | | | | | | |
| @@ Low achievement in Muga Seed production is due to prolonged summer resulting in high Temperatures and low humidity and due to shortage of Muga Seeds as per the requirement. The Muga Seed shortage issue is now being addressed to by identifying new Muga Seed Zones in cooler areas outside Assam State, so as to improve the present situation. | | | | | | | | | | | | |
| Quality Certification Systems (QCS) | | | | | | | | | | | | |
| A | <u>Silk Mark Scheme:</u> | | | | | | | | | | | |
| 1 | No.of Members Enrolled | 330 | 190 | | 300 | 296 | | 300 | 244 | | | 300 |
| 2 | No.of Authorised | 300 | 191 | | 300 | 292 | | 300 | 240 | | | 300 |

| | | | | | | | | | | | | |
|--|--|-------|-------|--|---------|----------|--|----------|---------|---|--|----------|
| | Users | | | | | | | | | | | |
| 3 | No.of Silk Mark Label Sold (in lakhs) | 15.00 | 16.21 | | 18.00 | 21.29 | | 22.00 | 17.03 | | | 25.00 |
| 4 | No.of Programmes/ Events/ Exhibitions & Road Shows | 230 | 162 | | 230 | 262 | | 380 | 299 | | | 330 |
| B | Cocoon Testing Centres | 3 | 2 | | 4 | 4 | | 5 | 4 | | | 6 |
| Catalytic Development Programme (CDP) | | | | | | | | | | | | |
| 1 | Package for Seed Sector | | | | | | | | | | | |
| a) | Mulberry | | | | | | | | | | | |
| 1 | Support for upgrading existing Seed / Grainage Units under Mulberry Sector | | 4 | | 3 units | 11 units | | 11 Units | 4 Units | No proposals were received from States during 2007-08 for establishing | | 29 Units |
| 2 | Support to establish large scale Bivoltine Seed production Grainages in Public / Pvt. Sector | | | | 1 Unit | | | 1 Unit | | large scale bivoltine seed production units as the approval for CDP implementat | | 2 units |

| | | | | | | | | | | | | |
|---|---|--|---|--|--------------|--------------|--|--------------|----------|---|--|--|
| 3 | Assistance for Seed Testing Facilities in Public/ Pvt. Grainages (for Quality seed production) | | 5 | | 60 Grainages | 17 Grainages | | 10 Grainages | 34 Units | ion was received from Ministry during February, 2008. Although | | |
| 4 | Assistance for mulberry silkworm seed production units(Support to get ISO / BIS Quality Seed Certification for Silkworm Seed Units) | | | | | | | | | proposals were received from Karnataka in2008-09 and J&K in 2009-10, for want of additional information, funds could not be released to set up large scale bivoltine grainage. Progress is likely to be achieved under this component in coming years. In respect of other components there is good | | |

| | | | | | | | | | | | | |
|-----------|---|--|-----|--|---------------|---------------|--|---------------|---------------|--|--|---------------|
| | | | | | | | | | | progress and the, targets will be achieved during XI Plan. | | |
| | P1 Grainages | | 1 | | | 1 unit | | 8 Unit | 1 Unit | | | 2 Units |
| | P2 Grainage | | | | | | | | 1 Unit | | | |
| b) | Vanya | | | | | | | | | | | |
| i) | Tasar | | | | | | | | | | | |
| 5 | Assistance to Private Tasar Graineurs | | 46 | | 135 Graineurs | 281 Graineurs | | 242 Graineurs | 308 Graineurs | Targets set for XI Plan in respect of Tasar seed sector components will be achieved. | | 544 Graineurs |
| 6 | Assistance to strengthening of tasar seed multiplication infrastructure | | 7 | | 3 PPCs | 4 PPCs | | 7 PPCs | 8 PPCs | | | 6 PPCs |
| 7 | Assistance for strengthening of Seed Multiplication / Infrastructure for Oak Tasar in the State | | 2 | | 4 Grainages | 2 Grainages | | 1 Grainage | 15 Grainages | | | 18 Grainages |
| | | | | | | | | | | | | |
| 8 | Assistance to | | 451 | | 370 Rearers | 734 Rearers | | 1133 | 1376 | | | 1234 |

| | | | | | | | | | | | | |
|------|--|--|----|--|-----------------------|----------------------|--|-----------------------|--------------|--|--|---------------------------------|
| | seed rearers | | | | | | | Rearers | Rearers | | | Rearers |
| ii) | Eri | | | | | | | | | | | 14 Farm cum Grainages |
| 9 | Assistance to State Depts., for Strengthening of existing Eri farm cum Grainages including assistance to Seed Rearer cum Private Graineurs | | 16 | | 13 Farm cum Grainages | 6 Farm cum Grainages | | 60 Farm cum Grainages | | The targets set for XI Plan will be achieved. | | |
| iii) | Muga | | | | | | | | | | | 358 |
| 10 | Assistance to Muga Private Graineurs | | 90 | | 197 Graineurs | 60 Graineurs | | 145 Graineurs | 25 Graineurs | Assam being the major muga silk producing State could not avail the benefit of the component due to delay in submission of Utilization Certificates during the first 2 years of XI Plan. The issue has been sorted out | | Graineurs 10 Farm cum Grainages |
| 11 | Assistance to State Departments for Strengthening of Muga seed multiplication infrastructure | | 4 | | 5 Farm cum Grainages | -- | | 7 Farm cum Grainages | | | | |

| | | | | | | | | | | | | |
|----|---|--|----------|--|---------------|---------------|--|---------------|---------------|---|--|---------------|
| | | | | | | | | | | and State will be able to take up these components during the remaining period of XI Plan. | | |
| 2 | Package for Cocoon Sector | | | | | | | | | | | |
| a) | Mulberry | | | | | | | | | | | |
| 1 | Support for Mulberry Plantation Development: | | 10757.40 | | 10000 Acres | 14524 Acres | | 9594 Acres | 18710 Acres | However, there is a shortfall in the expenditure in respect of the components viz. Quality Disinfection Materials, as actual requirement only was considered while considering the States' proposals. In respect of Rearing House Component, there is a | | 17104 Acres |
| 2 | Assistance for irrigation and other Water Conservation and usage techniques : | | 3215 | | 1500 Hectares | 4541 Hectares | | 2200 Hectares | 2207 Hectares | | | 8100 Hectares |
| 3 | Supply of Rearing Appliances (including improved mountages) / farm equipments to farmers) - for Bivoltine Sericulture Farmers | | 5438 | | 2000 Acres | 7272 Acres | | 3450 Acres | 9136 Acres | | | 13344 Acres |

| | | | | | | | | | | | | |
|---|--|--|----------------------|--|----------------------------------|----------------|--|----------------------------------|----------------------------------|--|--|------------|
| 4 | Supply of quality Disinfecting | | 3895 | | 6000 | 1325 | | 4000 | 5890 | shortfall to the extent of only 2% which will be made good during the year 2009-10. In respect of new components such as Setting up of Production units for Biological input, Door to Door Service Agents for disinfection and inputs supply and Assistance for Sericulture Poly Clinics and Assistance for Farmers' Training, the proposals submitted by the States were lacking full operational | | 14505 Seed |
| | Materials and other crop | | | | Seed | Seed | | Seed | Seed | | | Farmers |
| | protection measures for Bivoltine seed farmers | | | | Farmers | Farmers | | Farmers | Farmers | | | |
| 5 | Assistance for Construction of Rearing Houses (RH) - Models of Rs.1,50,000/-, Rs.1,00,000/- & Rs. 50,000/- | | 3258 1228 4256 | | 2000 RHs 3000 RHs 6000 RHs | 7760 RHs | | 2067 RHs 1980 RHs 3960 RHs | 1405 RHs 1975 RHs 3526 RHs | | | 5984 RHs |
| 6 | Assistance for maintenance of Chawkie gardens, construction of Chawkie Rearing Centre (CRC) buildings and procurement of Chawkie Rearing equipments: | | 48 CRCs | | 100 CRCs | 107 CRCs | | 70 CRCs | 55 CRCs | | | |
| | | | | | | | | | | | | Demand |
| 7 | Insurance Support (For all | | 15 lakh DFLs | | Demand | 1.10 lakh DFLs | | Demand | 1.28 lakh | | | Dependen |

| | | | | | | | | | | | | |
|-----------|---|--|------|--|------------------|---------------|--|---------------|---------------|--|--|-------------------------------|
| | Sectors) | | | | Dependant | | | Dependant | DFLs | details and therefore could not be considered for approval. Hence the shortfall. | | t29 Units |
| 8 | Setting up of Production units for Bio-logical in puts(Inoculants , Biological control agents etc.) | | | | Lump-sum | 6 Units | | 5 Units | 10 Units | As far as 2009-10 is concerned, the actual assessment could be made only after the completion of the financial year. | | |
| 9 | Door to Door Service Agents for Disinfection and inputs supply & Assistance for Sericulture Poly-Clinics. | | | | Lump-sum | 7 units | | 40 Nos | 12 Units | However, the target as fixed for the year is likely to be achieved in full. | | |
| 10 | Assistance for Farmers Training | | | | Demand Dependant | 1 Unit | | 16 Units | 4 Units | | | |
| b) | Vanya | | | | | | | | | | | |
| i) | Tasar | | | | | | | | | | | |
| 14 | Support to rearers for Augmentation of Tasar Oak Plantation (in Hectares) | | 1210 | | 1300 Hectares | 2295 Hectares | | 2188 Hectares | 2080 Hectares | The farmers are not coming forward to take up Oak Tasar | | 4601 Hectares 740 Hectares |

| | | | | | | | | | | | | |
|-----|--|--|------|--|------------------------|----------------------|--|-----------------------|----------------------|---|--|-------------------------------------|
| 15 | Assistance for raising and maintenance of systematic plantation of Oak Tasar | | 50 | | 300 Hectares | 50 Hectares | | 125 Hectares | 16 Hectares | systematic plantation as they prefer natural oak plantation. The oak tasar sector | | 106 Nos. |
| 16 | Assistance for Construction of Cocoon Storage Houses in Tasar Sector | | 34 | | 120 Nos | 68 Nos. | | 68 Nos | 100 Nos. | suffered due to disease incidence. Prophylatic measures have been taken for control of the disease. The savings if any, would be utilised under Tropical Tasar. | | |
| ii) | Eri | | | | | | | | | | | |
| 16 | Support for Castor/Tapioca cultivators with Start-up tools | | 1946 | | 16,650 Half Acre Units | 1860 Half Acre Units | | 1,270 Half Acre Units | 2220 Half Acre Units | The excess expenditure is due to high demand for Eri sector | | 35435 Half Acre Units 3464 Acres |
| 17 | Augmentation of perennial Eri food plants with supply of Start-up tools | | 2222 | | 2,137 Acres | 1268 Acres | | 833 Acres | 817 Acres | components from NE and other States. The R&D intervention in the areas of product developmen | | |
| 18 | Construction of | | 3801 | | 200 RHs | 2069 RHs | | 2000 RHs | 1256 RHs | | | 1676 RHs |

| | | | | | | | | | | | | |
|------|---|--|------|--|-------------|-----------|--|-------------|-----------|---|--|------------|
| | Rearing houses | | | | | | | | | t and forward linkages through spun silk mills have increased the demand for eri cocoons. | | |
| iii) | Muga | | | | | | | | | | | 3404 Acres |
| 19 | Raising of nursery of Muga food plants / Augmentation of Muga plantations with supply of farming tools / assistance to Muga silkworm rearers & seed rearers | | 1970 | | 1,700 Acres | 853 Acres | | 1,004 Acres | 790 Acres | | | |
| 3 | Package for Post Cocoon Sector | | | | | | | | | | | |
| i) | Silk Reeling & Spinning Components | | | | | | | | | | | -- |
| 1 | Popularization of New Slow- | | | | 1 Units | | | -- | -- | The post cocoon | | 45 Nos |

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|---|--|--|----|--|--------------------|--------------|--|-----------------|-----------|--|--|---------------|
| | Speed, (Twenty-end per Basin) Certified Multi-end Reeling Machines (18 basins - equivalent to 360 ends) | | | | | | | | | components are highly demand dependant. The implementation of components has been faring good | | |
| 2 | Support for establishment of Certified (10 ends per Basin) Multi-end Reeling Machines:(10 & 20 Basins) | | 21 | | 25 Basins10 Basins | -- 53 Nos | | -- 12 Basins | 12 Basins | in the field and the impact can be seen and felt. However, during the year 2007-08, the approval and release has been delayed. Therefore, there is a slight shortfall in targets and achievements. The technology upgradation in terms of quality, quantity and productivity | | -- 3 Units |
| 3 | Establishment of Automatic / Semi automatic Reeling Units (Imported) | | | | 1 Units | 3 units | | 2 Units | 2 Units | | | 38 Units |
| 4 | Support for establishment of Improved Cottage Basin Reeling Units | | 33 | | 25 Units | 14 units | | 32 Units | 11 Units | | | 624 Units |
| 5 | Support for existing Charkha Reeling Units to dissuade child labour (Motorized | | | | 100 Units | 85 units | | 140 Units | 338 Units | | | |

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|----|--|--|----------|--|-----------------------------------|---------------|--|--------------------|------------------------------------|---|--|------------------|
| | Charkhas) | | | | | | | | | improvement is easily discoverable in the field | | |
| 6 | Support for Setting up of Certified Dupion Silk Reeling Units (10 KG. / 20 KG. - Prorata basis) | | 3 | | 20 Units | 11 units | | 5 Units | | | | -- |
| 7 | Support for Hot Air Driers-Electrical/Multi-fuel / Ushnakotis for Reeling Units (50 kg. & 100 kg. cap) | | 321 | | 10 fifty kg & 4 hundred kg. units | 48 Nos. 8 Nos | | 103 Fifty kg units | 28 fifty kg & 41 hundred kg. units | | | units |
| 8 | Assistance for Twisting Units | | 14 | | 10 Units | 38 units | | 10 Units | 45 Units | | | 30 Units 3 Units |
| 9 | Support for establishment of Pupae Oil Extraction Production and Bye - product utilisation Units | | | | 2 Units | | | 1 Unit | | | | |
| 10 | Incentive for production of Bivoltine Silk | | 285.43 | | 600 MTs | 195.26 MTs | | 1494 MTs | 124.24 MTs | | | |
| 11 | Quality linked price Support | | 9 States | | 5 States | 11 States | | 5 States | 3 States | | | |

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|----|---|--|------|--|----------|-----------|--|-----------|----------|--|--|-------------|
| | system for Cocoons and Raw Silk - for State Govts./Co- operatives/NG Os/SHGs | | | | | | | | | | | |
| 12 | Establishment of Cocoon Banks / Market Support to Vanya Sector - RMBs for Tasar, Oak Tasar, Eri & Muga | | 3 | | 1 Nos. | 3 units | | 2 Nos. | 1 Unit | | | 6 Nos. |
| 13 | Providing Services of Master Reelers/Weave rs/ Dyers to reeling/weavin g/dyeing Units - through / for State Governments/ NGOs/Coop Soc./SHGs | | 4 | | 16 Nos. | 28 Nos. | | 13 Nos. | 31 Nos. | | | 27 Nos. |
| 14 | Support for Vanya Reeling/Spinni ng Sector | | | | | | | | | | | 1221 Nos |
| | a) Spinning | | 1120 | | 800 Nos. | 2008 Nos. | | 2632 Nos. | 582 Nos. | | | 753 Nos. |

| | | | | | | | | | | | | |
|-----|---|--|-----|--|----------------------|-----------------------|--|----------------------|-----------|--|--|----------------------|
| | b) Reeling-cum-Twisting | | 656 | | 300 Nos. | 999 Nos. | | 400 Nos. | 359 Nos. | | | |
| 15 | Support for establishment of Spun / Spinning Mills | | 1 | | 1 Mill | | | 1 Mill | 1 Mill | | | -- |
| | Total for Reeling & Spinning | | | | --- | | | --- | -- | | | |
| ii) | Silk Weaving Components | | | | | | | | | | | |
| 16 | Support for establishing shuttle-less looms (each unit with 8 looms and 1 sectional warping machine) | | 2 | | 4 Shuttle-less looms | 11 Shuttle-less looms | | 6 Shuttle-less looms | 3 Units | | | 4 Shuttle-less looms |
| 17 | Support for Handloom Sector for Loom Upgradation | | | | | | | | | | | |
| | 1. Support for Certified Handlooms specially designed for [Parallel beat-up / Swing beat-up, Negative let | | 172 | | 400 Nos. | 742 Nos. | | 1429 Nos. | 1523 Nos. | | | 1859 Nos |

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|------|---|--|-----|--|------------|----------|--|-----------|-----------|--|--|---------|
| | off, 5 - Wheel take - up, Separate cloth ruler along with Jacquard (240 hooks)] | | | | | | | | | | | |
| | 2. Loom Upgradation through Jacquards (or dobby / pneumatic lifting machanism / Ball to beam conversion device etc.) | | 332 | | 1,000 Nos. | 653 Nos. | | 1200 Nos. | 1837 Nos. | | | 9 Nos. |
| | 3. Computer Aided Textile | | 1 | | 10 Nos. | 51 Nos. | | 30 Nos. | 27 Nos. | | | |
| | Designing (CATD) | | | | | | | | | | | |
| | Total for Weaving | | | | --- | | | --- | -- | | | |
| iii) | Silk Wet Processing Components | | | | | | | | | | | |
| 18 | Support for setting up of Common Facility Centre for yarn dyeing / Fabric processing : | | | | | | | | | | | 10 Nos. |
| | 1. Yarn Dyeing | | 1 | | 20 Nos. | 34 Nos. | | 14 Nos. | 33 Nos. | | | 30 Nos. |

| | | | | | | | | | | | | |
|---|---|--|----|--|---------------------|--------|--|---------------------|---------|---|--|---------------------|
| | : 25 Kg. capacity | | | | | | | | | | | |
| | 2. Yarn Dyeing : 50 Kg. capacity | | | | 5 Nos. | 5 Nos. | | 8 Nos. | 11 Nos. | | | 10 Nos. |
| | 3. Arm Dyeing : 50 Kg. capacity | | 1 | | 5 Nos. | 2 Nos. | | 8 Nos. | 12 Nos. | | | 3 Nos. |
| | 4. Fabric Processing Facilities | | 4 | | 1 No. | 3 Nos. | | 6 Nos. | 6 Nos. | | | |
| 4 | Corporate Participation in Sericulture | | -- | | 1 Project | -- | | -- | -- | | | |
| 5 | Support Services Sector | | | | | | | | | | | 12 Nos. |
| 1 | Product Design and Development - Generic | | | | Demand Dependant | -- | | Demand Dependant | -- | Target set for XI Plan will be achieved. | | |
| | Promotion of Indian Silks / Sericulture (Including Exhibitions, Buyer-Seller meets, etc., | | | | | | | | | | | |
| 2 | Vanya Silk Market Promotion Cell | | | | Demand Dependant | -- | | Demand Dependant | -- | | | Demand Dependent |

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|---|---|--|-----------|--|---------------------|------------|--|---------------------|-----------|--|--|------------------------------|
| 3 | Entrepreneurs hip Development & Management Development Programmes. | | 2 | | 20 Batches | 10 Batches | | 11 Batches | 7 States | | | 25 Batche 8444 Nos. |
| 4 | Beneficiary Empowerment Programme conducted by States and Seri related exposure visits. | | 4206 | | 1,000 Nos. | 876 Nos. | | 3600 Nos. | 4294 Nos. | | | |
| 5 | Publicity for the sector(Audio visuals / Printing / Exhibitions / BSMs / Awareness programme, Workshops / Seminars, etc.) | | 11 States | | Demand Dependant | 18 States | | Demand Dependant | 16 States | | | 24 States |
| 6 | Assistance towards Studies/Consul tancies / Surveys / Monitoring / Supervision / Evaluation etc. | | | | Demand Dependant | | | -- | -- | | | Depend ent |
| 7 | Assistance to NGOs / SHGs | | | | Demand | | | Demand | -- | | | Deman d |

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|---|---|--|--|--|-----------|-----------|--|-----------|----|--|--|---------------|
| | &Agencies other than CSB & State for meeting administrative expenditure towards Project Implementatio n in the Vanya sector and in the Mulberry sector | | | | Dependant | | | Dependant | | | | Depend ent |
| 8 | Cluster Development Projects through NGOs/SHGs / Support for Special SGSY Projects / Scheme of Fund for Regeneration of Traditional Industries (SFURTI) etc. | | | | --- | 14 States | | --- | -- | | | |

[illegible]

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON
LABOUR HELD ON 29TH MARCH, 2010.**

The Committee met from 1130 hrs. to 1345 hrs. and again from 1430 hrs. to 1630 hrs. in Committee Room No.53, Parliament House, New Delhi to have oral evidence of the representatives of the Ministry of Textiles and Ministry of Labour and Employment on Demands for Grants for the year 2010-11.

PRESENT

Shri Hemanand Biswal – CHAIRMAN

**MEMBERS
LOK SABHA**

2. Shri M. Anandan
3. Shri P. Balram
4. Dr. Shafiqur Rahman Barq
5. Shri Sudarshan Bhagat
6. Shri Kaushalendra Kumar
7. Shri P. Lingam
8. Shri Hari Manjhi
9. Shri P. R. Natarajan
10. Km. Mausam Noor
11. Shri Ramkishun
12. Shri Mahendra Kumar Roy
13. Shri Chandu Lal Sahu
14. Shri Murari Lal Singh
15. Shri Raj Babbar
16. Shri Paban Singh Ghatowar

RAJYA SABHA

17. Shri Rudra Narayan Pany
18. Shri Rajaram
19. Smt. Renubala Pradhan
20. Shri G.N. Ratanpuri

SECRETARIAT

- | | | | |
|----|---------------------|---|---------------------|
| 1. | Shri Devender Singh | - | Joint Secretary |
| 2. | Shri B.S. Dahiya | - | Director |
| 3. | Shri Ashok Sajwan | - | Additional Director |

Witnesses
Ministry of Textiles

| Sl.No | Name of the Officer | Designation |
|-------|----------------------|----------------------|
| 1. | Smt. Rita Menon | Secretary |
| 2. | Dr. Sutanu Behuria | Special Secretary/FA |
| 3. | Shri S.S. Gupta | Joint Secretary |
| 4. | Smt. Monika S. Garg | Joint Secretary |
| 5. | Shri B. Singh | Joint Secretary |
| 6. | Shri V. Srinivas | Joint Secretary |
| 7. | Shri N. D. Georj | Economic Advisor |
| 8. | Smt. Ranjna Kale | Economic Advisor |
| 9. | Shri Vinod Kispotta | Jute Commissioner |
| 10. | Shri Anil Joshi | Textile Commissioner |
| 11. | Shri Sanjay Aggarwal | DC (Handicrafts) |
| 12. | Shri K.R. Pillai | CMD (NTC) |
| 13. | Shri K.K. Sinha | CMD (HHEC) |
| 14. | Shri S.C. Grover | CMD (CCI) |

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|------------|---------------------------|---|
| 15. | Shri Rajiv Takru | Director General (NIFT) |
| 16. | Smt. M. Sathyavati | Member, Secretary (Central Silk Board) |

2. At the outset, the Chairman, welcomed Smt. Rita Menon, Secretary and other officers of the Ministry of Textiles and invited their attention to the provisions contained in Direction 55 (1) of the Directions by the Speaker. The Chairman expressed serious concern of the Committee towards the delay on the part of the Ministry in furnishing the information sought by the Committee Secretariat. He directed the Secretary to ensure in future at her level that the information sought by the Committee is given well in time.

3. The Chairman, thereafter, asked the Secretary to brief the Committee on the Demands for Grants (2010-11) pertaining to her Ministry.

4. The Secretary then briefed the Committee about the performance of the Ministry, detailing the budgetary allocations, actual expenditure incurred and physical targets achieved under various schemes/programmes undertaken during the year 2009-10 with the help of a power point presentation.

5. Subsequently, the Committee held detailed deliberations with the representatives of the Ministry. The topics discussed in the meeting inter-alia included:

- (a) General Performance of the Ministry regarding Plan and Non-Plan allocations of the current year and actual utilization of budget allocated during the previous year.
- (b) Need for uniform distribution of plan funds and utilize them in accordance to that.
- (c) To expedite receipt of pending utilization certificates.
- (d) Need to promote silk crop plantations at wider scale in the country in order to boost silk production.
- (e) Further enhancement of budgetary allocation under Technology Upgradation Fund Scheme (TUFS) in order to support the Textile Industry and to make specific efforts to spread awareness for the Scheme in North-Eastern region.
- (f) Setting up of carpet clusters.
- (g) Increasing the age of weavers for entitlement to benefit under Life Insurance Scheme from 58 years to 70 years.
- (h) Need to increase plan funds for powerloom sector keeping in view its 62% contribution to the total cloth production of the country.
- (i) Need to modernize powerloom units throughout the country.
- (j) Need to evaluate courses of NIFT on regular intervals and to open more centres of NIFT in the country.

- (k) Expediting the work of modernizing the BIC mills and re-opening them at the earliest.
- (l) Need to extend insurance coverage to maximum number of weavers under 'Handloom Weavers Comprehensive Welfare Scheme'.
- (m) Need to protect the age old handicrafts items which are extinguishing against the competition with machines/tools.
- (n) Need to arrest dumping of Chinese silk and handicrafts products which are largely affecting the livelihood of Indian weavers and craft persons.

6. The Secretary and other officials of the Ministry replied to some of the queries raised by the Chairman and Members. The Chairman directed the Secretary to send written replies to some of the Supplementary List of Points which were still awaited and also to the queries raised by the Members, to the Secretariat within two days.

7. The Chairman then thanked the Secretary and other officials for giving valuable information to the Committee pertaining to the Ministry of Textiles.

The verbatim proceedings of the sitting was kept for record.

{The witnesses then withdrew}

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| 8. | XX | XX | XX |
| 9. | XX | XX | XX |
| 10. | XX | XX | XX |
| 11. | XX | XX | XX |
| 12. | XX | XX | XX |
| 13. | XX | XX | XX |
| 14. | XX | XX | XX |

The Committee then adjourned.

XX Do not pertain to this report.

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON LABOUR HELD ON 16TH APRIL, 2010.

The Committee met from 1530 hrs. to 1700 hrs in Committee Room `C', Parliament House Annexe, New Delhi to consider and adopt draft Reports on Demands for Grants for the year 2010-11 of the Ministry of Labour and Employment and Ministry of Textiles.

PRESENT

Shri Hemanand Biswal – CHAIRMAN

**MEMBERS
LOK SABHA**

2. Shri Murugesan Anandan
3. Shri Shafiqur Rahman Barq
4. Shri Sudarshan Bhagat
5. Shri Hassan Khan
6. Shri Kaushalendra Kumar
7. Shri P. Lingam
8. Shri P.R. Natarajan
9. Shri Ramkishun
10. Shri Mahendra Kumar Roy
11. Shri Chandu Lal Sahu
12. Shri Murari Lal Singh
13. Shri Paban Singh Ghatowar

RAJYA SABHA

14. Shri G.N. Ratanpuri

SECRETARIAT

- | | | |
|------------------------|---|---------------------|
| 1. Shri Devender Singh | - | Joint Secretary |
| 2. Shri B.S. Dahiya | - | Director |
| 3. Shri Ashok Sajwan | - | Additional Director |

2. At the outset, the Chairman welcomed the Members and apprised them about the draft Reports on Demands for Grants for the year 2010-11 of the Ministry of Labour and Employment and Ministry of Textiles.

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4. The Committee, then, took up the draft Report on Demands for Grants of the Ministry of Textiles for consideration. The Committee, adopted the draft Report without any modification.

5. The Committee took adverse note of the fact that the Ministry of Textiles had failed to furnish action taken replies on their report on Demands for Grants 2009-10.

6. The Committee then authorized the Chairman to finalise the Report in view of the consequential changes arising out of factual verification and to present the same to both the Houses of Parliament.

The Committee then adjourned.

XX Do not pertain to this report.

APPENDIX**STATEMENT OF RECOMMENDATION/OBSERVATIONS**

| Sl. No. | Para No. | Recommendations/Observations |
|----------------|-----------------|---|
| 1. | 1.3 | The Committee note that the Ministry have failed to furnish the action taken notes even after the lapse of prescribed period of three months from the date of presentation of Report. The Committee take an adverse note of this and desire that action taken notes on the Fourth Report of the Committee be furnished expeditiously. The reasons for the inordinate delay may also be furnished to the Committee for their consideration. |
| 1. | 3.21 | <p><u>General Performance-Plan Expenditure</u></p> <p>The Committee note that an amount of Rs.4500 crore had been allocated to the Ministry for implementing plan schemes for the year 2009-10. However, only Rs.4210.94 crore could be utilized, leaving Rs. 289.06 crore as unspent. The major portion of the unspent</p> |

amount is due to zero expenditure under signature schemes of the Ministry *i.e.* TUFS, SITP, TMC etc. in North-Eastern region. The reasons attributed by the Ministry for zero expenditure in North-Eastern region are, lack of demand, non receipt of adequate proposals, non-provision of matching grant and non-submission of utilization certificates. These reasons were cited by the Ministry during 2007-08 and 2008-09 also. Apparently, the Ministry has failed to draw suitable lessons from the past trend of expenditure and the bottlenecks in the operation of the schemes. This also reflects poorly on the will and determination of the Government to implement the schemes on a uniform pattern throughout the country. The Committee are particularly unhappy that despite their earlier reiteration no strenuous efforts have been made to promote the schemes in North-Eastern region. There is no tangible evidence to show whether the Ministry have put a single foot forward so far. On the contrary, the number of workshops, seminars/exposure visits

under TUFs have been reduced in the year 2009-10 despite availability of large number of powerlooms there. Under SITP also, not a single park has been set up in spite of distinct handicrafts and handloom products being manufactured there. The Committee, therefore, strongly recommend that apart from conducting adequate number of workshops/exposure visits, the Ministry should also relax the slabs fixed under SITP and TUFs for the beneficiaries of North-Eastern region in the remaining period of 11th Plan Period. Further, efforts should also be made to establish a few model textile parks in the region as part of the promotional measures for the schemes. The Committee further desire that efforts should also be made to popularize the schemes in the region by advertising in the local print as well as electronic media leading to utilization of allocated funds.

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| 2. | 3.22 | <p><u>Non-Plan</u></p> <p>As regards the non-plan expenditure of the Ministry, the position is also far from promising. The Committee find that an amount of Rs.248.45 crore is lying unspent (as on 22.3.10) out of the total allocation of Rs.1412.42 crore with no time left for utilization of this amount.</p> <p>As per the reply of the Ministry, these funds will be utilized for providing loans to National Jute Manufacturers Corporation, Handicrafts, Handlooms, Textile Workers Rehabilitation Scheme etc. How and in what manner the Ministry released the remaining funds to these sectors/schemes during the fag end of Financial year 2009-10, the Committee would like to be informed. The Committee, having regard to the need for uniform and sustainable growth of the textile industry, urge the Ministry to stop such practices where funds are released at the fag end of the year. Extremely concerned about the poor planning in the Ministry, the Committee desire that a rational approach be adopted in estimating non-plan funds</p> |
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| | | under various sectors/schemes and utmost care be taken for timely releasing of the funds. |
| 3. | 3.23 | <p><u>Quarterly Expenditure</u></p> <p>The Committee note that during the year 2009-10, there has been an uneven expenditure during the four quarters of the year. The instructions of the Government clearly stipulate the spreading of expenditure evenly over the four quarters and bar undue utilization of funds, or the rush of expenditure, in the last quarter of the year. Non-receipt of bills during the first quarter, delays in approval of schemes, restrictions in advance payments etc. are the main reasons attributed by the Ministry for uneven expenditure of plan funds. The Committee are not at all convinced with the reasons put forward by the Ministry and express their serious concern over such uneven pace of expenditure, particularly the March rush of expenditure which directly affects the proper and effective implementation of developmental and welfare</p> |

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| | | <p>schemes consequently hampering the growth of the entire sector. They are astonished to note that despite monitoring the expenditure regularly on weekly basis in the meetings of senior officers of the Ministry chaired by the Secretary, the results are far from satisfactory. The Committee, therefore, recommend that calibrated and more sustained efforts be made to timely settle all the procedural matters like approval of various schemes, receipt of bills etc. The Committee further desire that the monitoring mechanism needs to be more focused and result oriented so that aberrations and shortcomings do not recur.</p> |
| 4. | 3.24 | <p><u>Utilization Certificates</u></p> <p>The Committee are astonished to note that as many as 1513 utilization certificates involving an amount of Rs.12729.57 lakhs are outstanding as on 31st December, 2009. It is shocking that some of the utilization certificates pertain to the year 1978-79. Moreover, the number of pending utilization certificates has increased in the last three years. As</p> |

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| | | <p>there is no perceptible change in the receipt of pending utilization certificates in the recent years, the Committee strongly feel that it is now a high time that the Government devise suitable measures expeditiously to liquidate all the pending utilization certificates in a time bound manner. The Committee desire that while sanctioning the grant, a suitable condition could be imposed for time bound submission of utilization certificates.</p> |
| 5. | 3.25 | <p><u>Sale of NTC land</u></p> <p>3.25 The Committee are deeply concerned to note that as per audit para no. PA27 of 2009-10 (Performance Audit), the C&AG observed that the land of NTC mills had been sold below registration/circle rates resulting in loss of opportunity to earn Rs.1043 crore in six cases. Further a loss of Rs.185.10 crore was also incurred due to irregularities in tender documents. The Committee find that on the one hand the mills of BIC Ltd. are lying closed for want of sufficient working capital and funds for their</p> |

modernization despite being viable units, and on the other NTC has indulged in such goofups in dealing with public funds. The Committee outright reject the claim of the Ministry that the sale of NTC assets had been carried out in a transparent and professional manner. The representative of Ministry was unable to provide any clear reply. Taking note of the adverse audit findings and the inability of the Ministry to provide clear reply, the Committee strongly recommend that an independent inquiry be conducted in the matter and appropriate action taken against the persons responsible for wrongful loss to the Government. The Committee, further recommend that, henceforth, the sale of surplus land and other assets of textile mills be dealt with greater care and suitable decisions taken after independent and professional evaluation of the assets. The steps taken by the Ministry in furtherance of audit findings be intimated to the Committee within one month of the presentation of this report to Parliament.

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| 6. | 3.40 | <p><u>Technology Upgradation Fund Scheme</u></p> <p>The Committee's examination reveals that there are regional imbalances in availing the benefits under TUFs. While there has been overwhelming response from the States of Gujarat and Tamil Nadu, performance in the States of Maharashtra, Punjab and Rajasthan is moderate. Other States <u>viz.</u>, Uttar Pradesh, Uttarakhand, Kerala, Himachal Pradesh, Orissa, Chattisgarh, Jharkhand performed poorly. Bihar, Sikkim, Andaman and Nicobar Islands, Lakshadweep 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 inadequate or nil at present. The Committee, therefore, urge the Ministry to take remedial steps in this regard, including proper advertisement of the Scheme to create awareness among the stakeholders, so as to ensure proper and</p> |

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| | | equal development to the extent possible by disbursing the benefits available under TUFs, among all States. |
| 7. | 3.41 | <p>The Committee note that TUF Scheme which has picked up in the rest of the country though unevenly, is virtually a non-starter in the North-Eastern States. During the entire 10th Plan period and in the first three years of the 11th Plan, not a single rupee has been spent under TUFs in that part of the country despite availability of a large number of powerloom and handloom units there. The Committee find that the Ministry have organized a limited number of seminars/workshops in North-Eastern region since 2006-07 and the frequency has declined in the successive years. It is also surprising that only three exposure visits have been conducted involving only 75 beneficiaries from the entire North-Eastern region till 2009-10. Obviously, not much can be achieved with such feeble efforts to implement TUFs in North-Eastern region. The Committee, therefore, strongly recommend that the Ministry should first check the</p> |

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| | <p>continuous closure of powerloom units in the region by expanding its infrastructure there by providing sufficient raw material, uninterrupted power supply and dissemination of technology to them. Further, a clear cut strategy be chalked out for spreading awareness about the Scheme in the region including adequate number of seminars/workshops and exposure visits. The periodicity and venue of all such events should be fixed in the very beginning of each year and adequate publicity be given in the local press and electronic media. Besides, efforts also need to be made to reach the maximum number of stakeholders and encourage them to take part in the exposure visits. The Committee further recommend that the current slabs under the Scheme be further relaxed till the time the Scheme gains momentum in North-Eastern region.</p> |
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| 8. | 3.42 | <p>The Committee are constrained to note that backlogs have become a sad feature of the TUF Scheme in the recent years. This is stated to be mainly due to the delay in processing of claims by lending agencies and the office of Textile Commissioner resulting in spill over of claims to the next year and mismatching of funds. The Committee find that as on date claims received upto June, 2009 and partially upto September, 2009 have been settled. The Committee hardly need to emphasize that the flagship Scheme aiming to help the Indian Textile Industry in modernization of machinery and upgradation of technology, calls for hassle free and speedy implementation. The Committee, therefore, recommend that the Office of Textile Commissioner should obtain the data from the Banks/lending agencies on quarterly basis and the eligible claims be settled within a stipulated time frame but generally not exceeding 15 days of the receipt. The Committee also recommend that meticulous analysis be made of the requirement of funds under the Scheme every year and</p> |
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| | | sufficient funds be allocated so that the Scheme does not become a laggard. |
| 9. | 3.50 | <p><u>Fashion Hubs</u></p> <p>The Committee are dismayed to note that the fashion hub scheme which was proposed to be implemented in the year 2007-08, is still in conceptual stage. The proposal for allotment of land for setting up the of fashion hub is still shuttling between various Government departments and the Ministry are not even in a position to commit any time period for the acquisition of the land. It is, therefore, rightly quite premature for the Ministry to venture a guess as to when the fashion hub would become a reality. Further, the issues like framing terms of reference, eligibility criteria etc. for appointing consultants, which should have and could have been settled in the first year itself of the launching of the scheme, are still under process of formulation. The Committee desire that the examination of the report of Core Advisory Group be</p> |

completed urgently. Though creation of 'Fashion Hub' is a laudable concept as it will help in generation of employment opportunities besides displaying the skills and talents of Indian crafts persons, unfortunately it is being delayed due to poor planning, lack of fore thinking and coordinated efforts on the part of the Government. The Committee, therefore, strongly recommend that all the departments/agencies involved in the matter be asked to work in tandem and complete all the procedural formalities in a time bound manner. The Committee desire that the proposed fashion hub in Delhi be set up at the earliest so that it starts functioning at least by the end of current financial year. The Committee also urge upon the Government to identify land in other States also for setting up of fashion hubs and complete all the administrative, technical and other procedural formalities well in advance so that the scheme may come up simultaneously in other parts of the country which will facilitate local artisans, weavers and other skilled

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| | | <p>textile workers to showcase and market their products there. The States without such hubs may be accorded priority considering the utility and scope of such hubs in these States.</p> |
| 10. | 3.60 | <p><u>British India Corporation (BIC) MILLS</u></p> <p>The Committee are concerned to note that the work of modernization/revival of BIC mills is unduly being delayed by involving a series of departments/agencies in the matter. BIFR has approved the viability of the company and has recommended for its rehabilitation/modernization twice, in 2002 and subsequently in 2008. After failing to revive the company as per the decision of BIFR, the Government have obtained a techno-economic viability Report from Wool Research Organization which has recommended an amount of Rs.313.91 crore for its revival. Now, the Government propose to refer the company to BRPSE which will, undoubtedly further delay the matter. Accordingly to the Ministry, further steps for revival of</p> |

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| | | <p>the company will be taken depending upon the recommendations of BRPSE. The Committee feel that all efforts, made so far by the Government, have proved futile in getting the leasehold land of BIC mills into freehold from the State Government of Uttar Pradesh. The Committee, therefore, recommend that sustained efforts be made to end this deadlock at the earliest so that BIC mills which are lying closed since long in spite of having enormous potential, may be reopened without further delay.</p> |
| 11. | 3.61 | <p>The Committee also urge the Ministry to take up the matter of providing working capital to Egerton Woollen Mills, Dhariwal, with the Ministry of Finance so that production activities in this viable unit, with the popular brand name of 'Dhariwal Wool' start at the earliest.</p> |

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| 12. | 3.71 | <p><u>National Institute of Fashion Technology (NIFT)</u></p> <p>The Committee take note of the fact that NIFT has been quite successful in attaining its objective. Evidently, its courses are becoming increasingly popular as the demand of the students for joining the Institute is growing year after year. In order to meet the growing demands of the students from across the country, NIFT is opening two more centres at Bhubaneswar and Jodhpur in the academic year 2010-11. Besides, consultation is under various stages with concerned States Governments for setting up eight more centres. Undoubtedly, this is a commendable step. However, the desired progress is not being achieved due to one or the other reason in all the proposed centres. All the eight projects are plagued by one or the other problem and are not progressing on the expected lines. The Committee, therefore, impress upon the Government to take up the matter with the</p> |

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| | | <p>concerned State Governments at the highest level so that all the tangles are resolved at the earliest and the proposed centres come up within a stipulated timeframe. The Committee further recommend that considering the need for such professional courses world-wide and their huge scope for employment generation, the Government should immediately prepare an action plan to open at least one NIFT centre in each State/UT. Priority may be accorded to States which are without such centres and where heavy industry cannot flourish due to topographical constraints. Such a step will go a long way in meeting the demand of professionals of the field of fashion technology in country's growing textile sector.</p> |
| 12. | 3.72 | <p>The Committee note that several professional courses are being run by NIFT to award undergraduate and post graduate degrees to students. According to the Ministry, though interactions with the industry/designers are being organized regularly to get feedback about the outcome/utility of these courses,</p> |

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| | <p>however, no specific study has ever been conducted insofar as the achievements/relevancy of these courses are concerned. The Committee are of the view that keeping in view the ever changing fashion trends globally, it is very much imperative to keep these courses updated, contemporary and relevant. They, therefore, recommend that the Government should devise a suitable methodology to evaluate all the courses run by NIFT by experts of the Industry at regular intervals. Based on such appraisal it should be ensured that the new trends/developments taking place in the fashion arena world wide, are suitably and timely blended in the courses of NIFT so as to rise to the expectations of the global fashion industry. The Committee further recommend that NIFT should start doctoral and post doctoral courses/degrees at the earliest for the purpose of creating professional faculty as well as experts in the field of fashion technology.</p> |
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| 13. | 3.85 | <p><u>Powerloom Sector</u></p> <p>The Committee are constrained to note that powerloom sector has not received due attention of the Government, even after contributing 62% of the total cloth production of the country and providing employment to about 55.95 lakh persons. The Government introduced 20% credit linked capital subsidy Scheme (CLCSS) in November, 2003 under which only 2583 powerloom units out of 5.03 lakh units in the country have availed the subsidy so far. The Committee understand that the entrepreneurs working in powerloom sector are not coming forward to take benefits of TUFs and CLCSS mainly due to shortage of margin money and weak financial capacities to avail loans from the Banks/lending agencies. Modernization of powerloom sector is very essential for achieving the desired growth rate for textile sector so as to be competitive internationally, particularly to defeat import penetration due to globalization. The Committee, therefore, recommend</p> |
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| | | <p>that instead of equating the modernization of sick powerloom sector with the huge mill sector where entrepreneurs are equipped with greater financial potential, an integrated scheme should be specifically formulated for the powerloom unit holders so that they could come forward to timely modernize their units and are not forced to go for closure for want of required funds.</p> |
| 14. | 3.86 | <p>The Committee observe that there are only 70809 powerlooms in the country in organized sector and 2185511 in decentralized sector. The Committee feel that the assistance under Government Schemes can be better channelized and utilized through Cooperatives/Clusters/Self help Groups <u>vis-à-vis</u> targeting the individual powerloom units. For the purpose, powerloom sector needs to be organized by bringing maximum number of powerloom units under Cooperative/Cluster fold. The Committee find that nothing concrete has so far been done in this regard. The Committee, therefore urge the Government to</p> |

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| | | <p>chalk out a well planned strategy to form Powerloom Cooperatives/Societies/Clusters in all the centralised zones of powerloom units in a time bound manner by educating and spreading awareness among the stakeholders/entrepreneurs about the benefits of such group formations. Such a step will not only enable the Government to disseminate benefits of various developmental and welfare schemes in a cohesive and assured way but will also help in ensuring sustainable and inclusive growth of entire powerloom sector in the country.</p> |
| 15. | 3.100 | <p><u>Silk Sector</u></p> <p>The Committee observe that there have been remarkable variations in financial and physical targets in sericulture sector during the last three years. The budget allocated to the sector has been fully utilized every year but the targets set for various developmental activities remained unachieved to a large extent. According to the explanation obtained</p> |

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| | | <p>from the Ministry, the physical progress was possible only after release and utilization of the amount by agencies implementing various schemes. The Committee outright reject reply of the Ministry since coordinating physical and financial targets is an important component of the planning process. When budget is estimated for a particular activity/scheme, it is very much imperative to complete the given task, if funds allocated for the purpose are to be utilized fully. The Committee, therefore strongly recommend that the Ministry should review and rectify the inaccuracies which have crept in, in the implementation of the schemes pertaining to silk sector under which physical targets remained unachieved.</p> |
| 16. | 3.101 | <p>The Committee also observe that due to shortage of raw silk production in the country, the quantity of imports is increasing year after year. Though the total raw silk production is also growing every year but not in proportion to the increase in domestic demand. More so, the funds allocated to silk sector are too</p> |

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| | <p>meagre and the targets fixed are unrealistic with regard to the scope and need of silk/silk products in the country. The Committee, therefore, urge the Government to devise a well planned strategy to expand the area under silk production in the country with the pace it requires. New areas should also be ventured into for the purpose and effective awareness programmes be launched to motivate people for silk farming. Considering the imperative need for increasing silk production, new areas and varieties of silk need exploration including the oak silk which can be produced in large quantities in the hills of Himachal and Uttrakhand. The Committee further recommend that the targets under various developmental schemes for various types of silk be revised and fixed State-wise and required funds made available accordingly. The schemes or proposals so worked out may be furnished to the Committee.</p> |
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| 17. | 3.121 | <p><u>Handloom Weavers' Comprehensive Welfare Scheme:</u></p> <p>The Committee are disheartened to note that as many as 1,04,224 claim cases covering the time period from 2007-08 to 2009-10 are pending for settlement under the Health Insurance Scheme (HIS). The time period fixed for settling claims under the Scheme is 15 days. The Committee take a very serious view of such a perfunctory approach of the Government towards the welfare issues of needy weavers who belong to the disadvantaged strata of the society. It hardly needs reiteration that the very purpose of providing health insurance is frustrated if the claims are not settled in time. They therefore, recommend that immediate and urgent steps be taken to settle all the 1,04,224 pending claims within two months. Henceforth, every claim case received under the Scheme should invariably be settled within the stipulated time frame so that the Scheme does not lose its sheen and the weavers get the intended benefits well in time.</p> |
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| 18. | 3.122 | <p>The Committee feel that the cap of Rs.15,000 per annum, per family under health insurance scheme to provide healthcare facilities to weavers is rather too meagre. Moreover, critical illnesses are not covered under it. The Committee, therefore, recommend that in view of the rising cost of medical tests, medicines etc. the ceiling under the scheme should be raised to at least Rs.50,000/- per annum per family. Further, the Committee do not accept contention of the Government that critical illnesses will be covered under a separate scheme proposed to be launched by the LIC. The Committee are of the considered view that all the healthcare facilities should be provided under one umbrella scheme to the weavers keeping in view their lesser educational qualification. They, therefore, further recommend that either both, the general health care as well as the critical illness cover, be given under HIS or general health care facilities also be included in the new scheme of LIC. The Committee also impress upon the Government that the decision in the matter</p> |
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| | | <p>be taken at the earliest and a complete healthcare package be extended to weavers from the second quarter of the current financial year <u>i.e.</u> 2010-11.</p> |
| 19. | 3.123 | <p>The Committee are concerned to note that the coverage under MGBBY is very low considering the total population of weavers in the country. A total number of 4,66,484 weavers have been covered during 2007-08, 5,75,909 in 2008-09 and 4,10,417 in 2009-10 (upto 31.12.2009) where as the estimated number of weavers in the country is above 1 crore. More so, this coverage also includes renewal cases in the subsequent years. The Committee also note that coverage has been extended to the weavers in 19 States only. When asked about the action plan to cover weavers of remaining States, the Ministry merely stated that additional funds would be required for the purpose. The Committee recommend that the matter should be taken up with the Ministry of Finance vigorously for allocation of additional funds under the Scheme. Thereafter, special drives should be launched to</p> |

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| | | <p>identify the weavers and cover them under the Scheme in all those States which remain uncovered. The Committee also recommend that immediate steps be taken to settle all the 109 claims pending under the Scheme and a proper mechanism be devised to make the process of claim settlement quick and hassle free in future.</p> |
| 20. | 3.124 | <p>The Committee are distressed to note that despite repeatedly stressing the need to raise the upper age limit from 58 to 70 years for coverage under MBBBY, the Government are not at all taking up the issue with the seriousness it deserves. The Government simply stated that the matter was under active consideration. The Committee deprecate such a languid approach of the Government in deciding issues meant for the welfare of hapless weavers. The Committee reiterate that insurance coverage to weavers upto the age of 70 years be extended expeditiously.</p> |