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**STANDING COMMITTEE ON LABOUR
(2012-13)
(FIFTEENTH LOK SABHA)**

MINISTRY OF TEXTILES

**DEMANDS FOR GRANTS
(2013-14)**

THIRTY- SIXTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

April, 2013/Vaisakha, 1935 (Saka)

THIRTY-SIXTH REPORT**STANDING COMMITTEE ON LABOUR
(2012-13)****(FIFTEENTH LOK SABHA)****MINISTRY OF TEXTILES****DEMANDS FOR GRANTS****(2013-14)**

Presented to Lok Sabha on 29th April, 2013

Laid in Rajya Sabha on 29th April, 2013

***LOK SABHA SECRETARIAT******NEW DELHI******April, 2013/Vaisakha, 1935 (Saka)***

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COMPOSITION OF THE STANDING COMMITTEE ON LABOUR

(2012-13)

SHRI DARA SINGH CHAUHAN - CHAIRMAN

MEMBERS

LOK SABHA

2. Shri Ismail Hussain
- *3. Shri Nalin Kumar Kateel
4. Dr. Virendra Kumar
5. Shri Nara Hari Mahato
6. Shri Hari Manjhi
7. Shri Bal Kumar Patel
8. Shri Mahendra Kumar Roy
9. Shri Rajiv Ranjan Singh (Lalan)
10. Shri Dinubhai Boghabhai Solanki
11. Shri Makhan Singh Solanki
12. Shri K. Sugumar
13. Shri Bibhu Prasad Tarai
- **14. Shri Ashok Argal
- ***15. Smt. J. Shantha
16. Vacant
17. Vacant
18. Vacant
19. Vacant
20. Vacant
21. Vacant

MEMBERS

RAJYA SABHA

22. Smt. T. Ratna Bai
23. Shri D. Bandyopadhyay
24. Shri Thaawar Chand Gehlot
25. Shri P. Kannan
26. Shri Mohd. Ali Khan
27. Shri Ranbir Singh Parjapati
28. Smt. Renubala Pradhan
29. Shri Rajaram
30. Shri G.N. Ratanpuri
31. Shri Jai Prakash Narayan Singh

* Ceased to be Member of the Committee consequent upon his nomination to Standing Committee on Commerce *w.e.f.* 13th December, 2012.

** Nominated *w.e.f.* 9th January, 2013.

*** Nominated *w.e.f.* 19th March, 2013.

SECRETARIAT

1.	Shri A.K. Singh	-	Joint Secretary
2.	Shri P.V.L.N Murthy	-	Director
3.	Shri Ashok Sajwan	-	Additional Director
4.	Smt. Bharti S. Tuteja	-	Deputy Secretary

INTRODUCTION

I, the Chairman, Standing Committee on Labour (2012-13) having been authorized by the Committee to submit the Report on their behalf, present this 36th Report on Demands for Grants for the year 2013-2014 of the Ministry of Textiles.

2. The Committee considered the Demands for Grants pertaining to the Ministry of Textiles for the year 2013-2014 which were laid on the Table of the House on 18th March, 2013. The Committee took evidence of the representatives of the Ministry of Textiles on 04th April, 2013.

3. The Committee wish to express their thanks to the officers of the Ministry of Textiles for appearing and furnishing the information as desired by them in connection with the examination of the Demands for Grants of the Ministry.

4. The Committee considered and adopted the Report at their sitting held on 16th April, 2013.

5. For facility of reference, the observations and recommendations of the Committee have been printed in thick type in the body of the Report.

New Delhi;
18 April, 2013
28 Vaisakha, 1935 (Saka)

DARA SINGH CHAUHAN,
CHAIRMAN,
STANDING COMMITTEE ON LABOUR

CHAPTER-I

IMPLEMENTATION OF COMMITTEE'S RECOMMENDATIONS

The Twenty-Ninth Report (15th Lok Sabha) of Committee on Labour on Demands for Grants (2012-13) of the Ministry of Textiles was presented to Parliament on 3rd May, 2012. The Report contained 18 recommendations/observations.

1.2 In compliance of Direction 73 A of Directions by Speaker, the Minister of Textiles made a Statement in Lok Sabha on 28th August, 2012 giving the status of implementation of various recommendations made by the Committee in their Twenty-Ninth Report. An analysis of the Minister's Statement showed that Government had accepted 14 out of 18 recommendations. The Ministry had implemented 2 recommendation and 11 recommendations were under process. 5 recommendations were still to be implemented.

1.3 On the basis of the Action Taken Notes received from the Ministry of Textiles of the above Report, the Committee presented their Thirty-Fourth Action Taken Report (15th Lok Sabha) to the Lok Sabha on 30th August, 2012. The Committee commented on the Action Taken Replies furnished by the Ministry in respect of Recommendations at Para No. 3.38, 3.48.1, 3.48.2 and 3.54 contained in the Original Report.

1.4 The Committee expect the Government to take conclusive action in respect of these four recommendations and furnish further action taken notes at the earliest.

CHAPTER-II

INTRODUCTORY

The Indian Textiles Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textiles industry also plays a pivotal role through its contribution to industrial output, employment generation, and the export earnings of the country. Currently, it contributes about 14% to industrial production, 4% to the GDP, and 11% to the country's export earnings. It provides direct employment to over 35 million people. The textiles sector is the second largest provider of employment after agriculture. The Indian textiles industry is extremely varied, with the hand-spun and handwoven sector at one end of the spectrum and the capital intensive, sophisticated mill sector at the other. The decentralized powerlooms / hosiery and knitting sector forms the largest section of the textiles sector. The close linkage of the Industry to agriculture and the ancient culture, and traditions of the country makes the Indian textiles sector unique in comparison with the textiles industry of other countries. The major sub-sectors that comprise the textiles sector include the organized Cotton/Man-Made Fibre Textiles

Mill Industry, the Man-Made Fibre / Filament Yarn Industry, the Wool and Woollen Textiles Industry, the Sericulture and Silk Textiles Industry, Handlooms, Handicrafts, the Jute and Jute Textiles Industry, and Textiles Exports.

2.2 The main functions and activities of the Ministry of Textiles are policy formulation and planning, development, export promotion and trade regulation of the textile sector. 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. The Ministry is also responsible for readymade garments, handicrafts and industries related to production of silk and cellulose 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 provide 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 their 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 2013-2014 are given under Demand No. 92. The detailed Demands for Grants of the Ministry were laid on the Table of Lok Sabha on 18.3.2013. 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 scrutinized the Demands for Grants for the year 2013-2014 of the Ministry which have been dealt in the succeeding Chapters.

CHAPTER-III
REPORT
DEMANDS FOR GRANTS

A. General Performance

3.1 As per the information furnished to the Committee, Rs.7000 crore were earmarked for Plan expenditure during 2012-13 which was reduced at the Revised Estimate stage to Rs.4500 crore. The total utilization is Rs. 3644.73 crores *i.e.* only 52% of BE and 81% of RE. Similarly, Non-Plan expenditure was estimated at Rs 836.41 crore which was revised to Rs. 810.55 crore and the actual expenditure was Rs 754.24 crore during the year which is 90% of the BE.

3.2 When asked about the reasons for significant reduction in the Plan expenditure at the revised estimates stage, the Ministry replied as under:

“...the two schemes pertaining to Handloom Sector namely Revival, Reforms and Restructuring Package for Handloom Sector and Mill Gate Price Scheme did not take off as expected. Revival, Reforms and Restructuring package was formulated on the basis of figures received from various State Governments about the extent of loan disbursed to handlooms sector and the requirement of funds for waiving of

loan overdue and recapitalization of Handlooms cooperatives. Based on the above projections, reforms and restructuring package for handlooms sector was approved in November 2011. When statutory audit was conducted by States in respect of functional handloom cooperatives up to 2009-10 and then special audit by NABARD, only then the definite requirement of funds could be known. In retrospect, it may be accepted that the loans overdue were much lesser than envisaged. Consequently, the expenditure as a percentage of the total estimation was low.

Under Revival, Reform and Restructuring (RRR) Package for Handloom Sector: Against the RE of Rs.600 crore, only Rs. 291 crore has been utilised. The main reason for non-utilisation of remaining funds is that as against 45 apex societies, nearly 16000 functional primary weavers cooperative societies (PWCs) and about 6 lakh of commercial weavers (exclusive), only 23 apex, 3750 PWCs societies and about 52000 individual handloom weavers could be covered under the norms of RRR package. To further expand the coverage to remaining societies and individual weavers, a revised RRR package is under finalization.”

3.3 DC(Handlooms) during the evidence held on 4.4.13 told the Committee that the estimation was based on the data received from the State Governments in 2006-07 and accordingly Rs 3500 crore package was announced in the budget but when the scheme was being made operational, the Planning Commission and the Ministry of Finance imposed some harsh conditions for eligibility. He also told the

Committee that the revised proposal has been sent to the Ministry of Finance and the approval is expected shortly.

3.4 The Ministry have further stated in their written reply:

"The Revival, Reform and Restructuring (RRR) package under existing norms is benefitting 24 apex, around 4065 primary weavers cooperative societies, 46911 individual weavers and weavers of 6314 self-help groups (SHGs) as against envisaged 15000 cooperatives and 3 lakh individual handloom weavers when proposal was formulated. Loan waiver and recapitalization claims amounting to Rs 514.96 crore have been approved by State Implementation Monitoring and Review Committee (SIMRC) and now NABARD, the implementing agency is in the process of settling these approved claims under RRR package. NABARD had been released Rs 200 crore in March,2012. Therefore, against the RE of Rs.600 crore during 2012-13, only Rs. 291 crore has been utilized and remaining fund has been surrendered.

To further extend the coverage to more societies and individual weavers, Ministry of Textiles for seeking the approval of CCEA on a proposal, has circulated EFC memo for inter-ministerial consultation. The proposal seeks modifications in RRR package by way of relaxation of eligibility norms of viability /potential viability of apex and primary weavers' cooperative societies, besides extending the cutoff date of eligibility as 31.03.12 and the scheme upto 31.12.2012. It is expected that by modification in the eligibility norms of viable and potentially viable societies and other parameters, additional 4000 handloom cooperatives (both apex and PWCs) and organizations including State Handloom Corporations would be benefitted under RRR package. Further, additional 50,000 handloom weavers are also expected to be covered for loan waiver. For implementation of the RRR package with revised guidelines, it is estimated that additional Rs 400 to 500 crore would be

needed against which Rs 175 crore has been provided during 2013-14. Moreover, the exact requirement of funds would depend upon the extent of relaxation of norms, proposed by the Ministry for seeking Government's approval."

3.5 The Minutes of the 5th National Implementation Monitoring & Review Committee (NIMRC) reveal as follows:-

Loan waiver in respect of individual weavers.

"DC (HL) explained that loans taken by handloom weavers for weaving purposes are being waived off and 100% of principle and 25% of interests overdue as on 31.3.2010 is being borne by GOI. To avail benefit under the scheme, the weaver has to approach his bank with a request on plain paper for waiving the loan and the bank, in turn will submit the consolidated claims to NABARD in a prescribed proforma. The bank will also undertake to sanction fresh loan to the weaver. In addition, the Banks have to suo-moto examine their records and find out loans taken by weavers for weaving purposes and submit the claims to NABARD for loan waiver, as per the Scheme. DC (Handlooms) expressed the concern that Banks are expected to come forward for availing benefits under Loan Waiver Scheme as it will liquidate their NPAs and clean their portfolio. Lending Institutions are required to undertake following measures:

- Identify the borrowers/defaulters, display borrowers list;
- contact individual weavers for availing benefits under the scheme;
- obtain undertaking to carry out handloom activity in future;
- Sanction fresh credit;
- Bank Headquarters should issue clear guidelines for loan waiver to their branches."

Instructions issued to banks on Individual Waiver Scheme

“The ultimate responsibility of implementing the scheme successfully rests with the lending institutions.

Lending Institutions are expected to assess the claims in their branches strictly in terms of the Government of India Scheme. They are suggested to get the same audited by the branch auditors/ internal/ concurrent auditors before forwarding to NABARD.

Measures like identification of borrowers, display of borrowers list, obtaining undertaking to carry out handloom activity in future and avail fresh credit as per bank terms & conditions, publicity of the scheme perse etc as prescribed in the scheme may be adhered to.

It will be obligatory for the bank to maintain borrower-wise detail records/ data against which the claims are preferred. GoI./ NABARD has a right to conduct audit of the records, if required, in future.”

3.6 Further the Minutes of the 7th National Implementation Monitoring & Review Committee (NIMRC) mention as follows:-

“Chairperson/Secretary (Textiles) indicated that the GoI is not ‘very happy’ with the outcome as the claims under the Package indicate that either the State Governments have overestimated the amount of debt or the entire Handloom Sector has moved away from formal lending in to informal lending though the master weavers.

Under Mill Gate Price Scheme (MGPS), earlier the budget estimate (BE) was kept Rs. 385 crore for 2012-13. The main reason for substantial increase of BE to Rs. 385 crore compared to the expenditure of Rs. 54.27 crore on MGPS in 2011-12 was due to the introduction of additional component

of 10% subsidy on yarn in MGPS in January, 2012. It was anticipated that owing to 10% subsidy on cotton and domestic silk, there would be substantial demand for yarn supply under MGPS, estimated to be 2000 lakh kgs during the year 2012-13. Out of this budget estimate of Rs.385 crore, Rs.250 crore was anticipated to be spent against 10% subsidy component alone.

The following are the two main reasons behind the shortfall in achieving the target:-

- (a) At the time of issuance of guidelines of the scheme, a quantity restriction was considered desirable on supply of subsidized yarn - cotton & silk to avoid cornering of subsidy by lesser no. of weavers. As per the existing guidelines, there is a restriction of supply of subsidized cotton @ 30 kg below 40 counts, 10 kg for 40 counts and above, and 4 kg for silk per month per loom. However, this restriction proved to be a limiting factor in off- take under the scheme.
- (b) Restrictions on State-wise maximum numbers of looms to be eligible under the scheme. Out of 23.7 lakh looms, only 5.87 lakh looms having market linkages were taken up.

After reviewing the scheme, the restrictions as stated in para (b) have been removed. Further, from the year 2013-14, apart from cotton and silk, wool and jute/coir are proposed to be added in this scheme. Also for cotton, quantity limit is being increased from 30 kg to 80 kg upto10 counts which are primarily used by the handloom sector. The budget was revised downward to Rs. 133 lakh keeping in view the anticipated sale of 1000 lakh kg of yarn to weavers by NHDC by end of March, 2013.”

3.7 As regards the shortfall in expenditure under the Integrated Handloom Development Scheme, the Ministry replied as under:

“Against a BE of Rs.195.00 crore, expenditure of Rs.69.10 crore was incurred upto January 2013. The main reason for shortfall in expenditure compared to the BE was general

apathy of the banks in implementing scheme of Institutional credit component of IHDS resulting in very low issuance of weavers credit card. Despite regular review and follow up there was also a shortfall in receipt of adequate number of viable proposals from the State Governments/implementing agencies. Besides, Utilization Certificates (UCs) and physical & financial progress of the previous releases could not be received on time from the State Governments /implementing agencies. As a result, an amount of Rs.129 crores has been sanctioned till 25.03.2013.

“Institutional Credit” was one of the components of the Integrated Handlooms Development Scheme (IHDS) in December 2011 with a provision of margin money; interest subvention and credit guarantee to ensure availability of concessional credit to the handloom sector. Despite organizing 677 awareness camps in different parts of the country and then submitting after scrutiny, around 3.23 lakh applications received from weavers to various banks through respective lead banks, only 42638 weavers credit cards (WCCs) have been issued by the banks.”

Definition of Handlooms

3.8 On the issue of amending the definition of Handlooms, the Ministry stated:

“Under the Handlooms (Reservation of Articles for Production) Act, 1985 handloom has been defined as “any loom other than powerloom”. Experience over the years has shown that the numbers of handlooms as well as handloom weavers are declining sharply and especially the younger generation is not willing to continue or enter into this profession owing to low generation of income and hard labour required to operate looms. While the scenario in textile sector has changed the

world over including India, the handloom weavers are still engaged with hand operated looms doing tedious work to earn their wages and a substantial population of weavers is still living in poor conditions.

In order to reduce the drudgery of handloom weavers, the Advisory Committee on Handloom Reservation Act, 1985, under the chairpersonship of Secretary (Textiles), discussed the definition of handloom and recommended modifications in the definition of handloom. Based on the recommendations of Advisory Committee, the Ministry of Textiles has prepared a proposal to modify the definition of 'handloom' to seek approval of the Government. As per proposed definition of handloom, 'handloom means any loom, other than powerloom; and includes any hybrid loom on which at least one process for weaving requires manual intervention or human energy for production'.

The purpose of proposed change in definition of 'handloom' was that handloom sector would get benefits of modernization by way of adopting mechanized operations on the looms, which in turn would enhance productivity and reduce drudgery as well as help low skilled weavers hitherto suffering from the disadvantages associated with traditional handlooms. The new definition of handloom would enable the existing handloom weavers to upgrade their looms without losing out on the benefits available to handloom weavers under various Govt. Schemes."

3.9 When asked whether the Cabinet note has been put up in this regard, the Ministry replied:

"The draft amendment in the definition of 'handloom' is to be discussed in the Advisory Committee meeting which has been convened on 12th April, 2013 to discuss various issues involved in the proposed amendment in definition of 'handloom' and in particular how norms and mechanisms

should be evolved so that power looms could be differentiated from handlooms."

3.10 The Secretary during the evidence held on 4.4.2013 shared the concern of the Committee regarding the modification in the definition of handlooms for improving the conditions of the handloom weavers and the small powerloom weavers. The Secretary further stated that it will be examined how these small powerloom weavers can be provided benefits available to handloom weavers under various handloom schemes. The Secretary also told the Committee that the Advisory Committee would be meeting to discuss some special arrangement for small powerloom weavers.

3.11 The Ministry have also furnished the following information:

"From the year 2013-14, as against five different schemes of Handloom sector, 3 schemes would be implemented in 12th Plan after merging the various components of 2 Centrally Sponsored Schemes namely, Integrated Handloom Development Scheme (IHDS), Marketing & Export Promotion Scheme (MEPS) and 1 Central Sector Scheme namely, Diversified Handloom Development Scheme (DHDS) as a new Centrally Sponsored Scheme called Comprehensive Handloom Development Scheme (CHDS) along with 2 Central Sector Scheme namely Handloom Weavers' Comprehensive Welfare Scheme (HWCWS) and Yarn Supply Scheme."

Indian Institutes of Handloom Technology

3.12 When asked about the criteria for setting up Indian Institute of Handloom Technology in an area/State, the Ministry replied as follows:

“IIHTs provide qualified and trained manpower to the Handloom Sector and undertake experimental and research programmes on all aspects of the handloom industry. Concentration of weavers and production of handloom in a particular area/State are the major criteria to decide the geographical location of an IIHT. There are five Central IIHTs located at Varanasi (Uttar Pradesh), Salem (Tamil Nadu), Jodhpur (Rajasthan), Guwahati (Assam) and Bargarh (Odisha).

IIHTs can also be opened in the State sector on the specific request from the State Governments. In such case, central assistance is limited to one time grant of 40% of non-recurring cost for that IIHT. All other expenditure is borne by the State governments. Currently IIHT Champa in Chhattisgarh , IIHT Venketagiri in AP , IIHT Gadag in Karnataka and IIHT Kannur in Kerala are the IIHTS under the State Sector.”

3.13 On being asked whether any extension programmes have been taken up by these IIHTs the Ministry submitted:

“Indian Institutes of Handloom Technology (IIHTs) are not directly involved in providing extension services to the weavers. These Institutes are primarily responsible for

providing qualified and trained manpower to the handloom sector through their regular diploma courses and undertake experimental and research programmes on all aspects of the handloom related activities. Besides the regular courses offered in the Institutes, they also conduct short term in-house training programmes for the weavers. Recently, under the Integrated Skill Development Scheme (ISDS) of the Ministry of Textiles, IIHTs have conducted some field training programmes in pre-weaving, weaving and post weaving related activities. In 15 training programs, IIHTs have covered approximately 300 weavers in all.

Extension services to the weavers are being rendered by the Weavers Service Centres (WSCs) which involve transfer of design inputs, skill up-gradation in weaving related areas and dissemination of the technological interventions for reducing drudgery to the handloom weavers.”

Plight of small powerloom weavers

3.14 When the Ministry were confronted regarding the steps taken to increase the low wages being paid to the powerloom weavers and whether there is any special scheme for workers who work on the powerlooms owned by the others, the Ministry in their written reply stated that as per the Labour laws, Industrial Workers including powerloom workers are required to be paid minimum wages. There is no scheme designed specifically for the workers of powerlooms owned by others.

3.15 On being asked about the steps taken by the Ministry to help poor weavers who are not able to sell their products, the following written reply was furnished by the Ministry:-

“Integrated Scheme for Powerloom Sector Development (ISPSD) has been implemented for Powerloom Sector. The Scheme has several components including marketing development programme for powerloom sector. Under marketing development programme, infrastructural support is provided for marketing the powerloom products. The Buyer – Seller Meets (BSM) for marketing the powerloom products are organized at regional and cluster level across the country in which powerloom units/weavers are participating to market their product directly, eliminating the middlemen. During 2007-08 to Sept.2012, total 60 BSMs have been conducted and Govt. has released the fund of Rs.3.99 Crore.”

3.16 When asked how fewer buyer seller meets are enough for poor weavers to sell their products, the Ministry replied:

“Buyer Sellers meet provides an opportunity to handloom weavers and their organizations to establish marketing linkages. Besides organizing the Buyer Seller Meetings (BSMs) under marketing and export promotion scheme (MEPS) of DC Handlooms, exhibitions of various levels are organized to provide platform to handloom organizations and weavers for marketing of handloom products both in domestic and international markets. Weavers are also provided free of cost stalls in various craft melas like Surajkund, Taj Mahotsav etc. for marketing their products directly to the consumers. Urban haats and handloom marketing complexes at different places in the country have

also been set up to market handloom products by handloom agencies and weavers. Professionally qualified designers have also been provided under clusters to diversify and develop contemporary products and to link with the market. During the 11th Plan, 2753 domestic and international events were organized with an expenditure of Rs.230.20 crores.”

Office of the Textile Commissioner

3.17 According to the Annual Report of the Ministry (2012-13), the office of Textile Commissioner has 8 regional offices including a regional office at Kanpur. The Committee received a representation from Uttar Pradesh Powerloom Federation stating that the Kanpur Office was being closed on the basis of the recommendation in the Report of IIM Bangalore. It was represented that the recommendation of IIM, Bangalore was not based on the proper analysis of the textile situation prevalent in Uttar Pradesh. The representation was forwarded to the Ministry and the Ministry replied as follows:-

“The statistics available show a decadal picture from 2001-2010(i.e. the period after the IIM Bangalore Report) the effective working spindles, rotors and looms have considerably declined in the State of UP in general and Kanpur in particular. The number of workers employed in non-SSI mills (i.e. excluding the de-centralized powerloom and SSI sector) have also come down drastically so also the spun yarn production. The number of powerlooms in de-centralized sector is more or less static or even the number

could be less than stated. Thus, the contention that the growth graph of expansion/development/Upgradation of textile industry has gone up substantially in UP is an exaggeration and is contrary to facts. The other contention about growth of textile industry through response to several schemes of Ministry of Textiles (like TUFS, Group Workshed etc.) is rather misleading.”

3.18 When asked whether any survey of Uttar Pradesh Powerloom Industry was conducted by IIM Bangalore before recommending the relocation of the Kanpur office, the Ministry stated:

“IIM Bangalore had conducted the study in the year 2000 in which 18 Industry Associations had participated. Northern India Textile Research Association, New Delhi (NITRA) which is running 4 Powerloom Service Centres in Uttar Pradesh for the development of powerloom industry and for the welfare of powerloom weavers of UP is one of the Associations which participated in the study. The Powerloom Service Centers in UP run by NITRA are located at Meerut, Tanda, Gorakhpur and Kanpur which continue to serve and take care of the powerloom industry and the needs of powerloom weavers in U.P., besides the Powerloom Service Centre run by Office of the Textile Commissioner located at Mau.”

3.19 When asked to spell out the jurisdictional areas under each of these offices, the criteria for opening/closing a regional office, the functions of these offices and the weavers covered under them, the Ministry replied as follows:

“Textile Commissioner has eight (8) Regional Offices (ROs) as stated above which have been functioning for more than four decades on the basis of concentration of textile industry at that time, no specific criteria were, therefore, prescribed for it.

In view of the changing textile scenario, the Ministry of Textiles initiated an independent study through Indian Institute of Management (IIM), Bangalore. The IIM Bangalore with a view to redefining the role of Office of the Textile Commissioner identified specific role for the O/o Textile Commissioner in consonance with the National Textile Policy 2000 and on the basis of extensive consultation with various stake holders including industry associations, textile research associations and the Ministry of Textiles.

With regards to adequacy of the field offices under the Textile Commissioner’s office, the study report observed that the present 8 ROs would be quite adequate except that there is a need to relocate two of the existing ROs at Kanpur and Chennai. The recommendations of the IIM was accepted by the Committee of Secretaries and adopted by the Ministry of Textiles. Accordingly, RO, Chennai was shifted to Bangalore in May 2007 and RO, Kanpur was partially shifted to Indore in the year August 2008, keeping a sub office of RO, Noida at Kanpur.

The services rendered by the Regional offices include;

Supporting, counselling and facilitating the decentralised textile sectors, such as powerlooms and small processors, for taking up TUF Scheme, quality upgradation, promoting exports, including processing of applications and joint inspection of units in connection with release of 20% Margin Money Subsidy under TUFS for Powerloom Sector, 15% Margin Money Subsidy under TUFS for SSI sector, Modified Group Workshed Scheme for Powerloom Sector, Group Insurance Scheme for Powerloom Weavers, Integrated Scheme for Powerloom Sector Development, Other Integrated Industry Cluster Development Schemes.”

3.20 As regards the numbers of weavers/ workers covered, the Ministry stated that they had not been formally surveyed, the powerloom survey is, however, commissioned now and report will be available by June 2013.

The number of weavers assumed as per the available data on number of powerloom according to the Ministry is as below:

SL No.	Regional Office	Number of Workers/Weavers
1	Ahmedabad	8,10,865
2	Amritsar	62,971
3	Bangalore	3,18,270
4	Coimbatore	10,20,788
5	Indore	3,04,968
6	Kolkata	37,871
7	Navi Mumbai	29,92,025
8	Noida	2,84,149
Total:		58,31,907

The information supplied by the Office of Textile Commissioner, Mumbai under RTI Act, 2005 is placed in **Annexure-I**

3.21 The Secretary during the evidence held on 4.4.2013 stated that the decision to close the Kanpur regional office was taken long back and that she would be studying the issue in the light of the current requirements and submit a report to the Committee.

Research & Development

3.22 When asked the number and details of associations/organizations/bodies/institutions/ individuals getting assistance under the head Research and Development, the Ministry replied:

“There are eight Textiles Research Associations (TRAs) in the country i.e., Ahmadabad Textile Industry Research Association (ATIRA), Bombay Textile Research Association (BTRA), South India Textile Research Association (SITRA) and Northern India Textile Research Association (NITRA) which carry out consultancy, testing, training and research and development in cotton and cotton/synthetic as well as cotton/natural fibre blends. Other fibre specific TRAs are Man-made Textile Research Association (MANTRA), Synthetic & Art Silk Mills Research Association (SASMIRA) who work predominantly in synthetics, Wool Research Association (WRA) and Indian Jute Industry’s Research Association (IJIRA) carry out work in wool and jute, respectively.

Further there are two agricultural universities who have availed assistance, which are as under:-

- (a) Tamil Nadu Agricultural University
- (b) University of Agricultural Sciences, Dharwad

However, the scheme is open to organizations in the Government, non-Government sectors and professional bodies working in areas related to development of technologies. These organizations could be institutions registered under Societies Act/Companies Act; professional and industry associations; agricultural Universities/IITs etc.”

3.23 As regards their innovations/achievements during the last five years, year-wise, the Ministry informed as follows:

“During last five years in 11th Five Year Plan total 101 projects have been undertaken which includes inter-alia high end research projects in Technical Textiles including in the areas of Nano Technology, Plasma Technology, Biotechnology & Eco-friendly technologies etc. Some projects are undergoing field/human trials, patents have been applied for in some cases.

Significant achievements of projects in last five years is given in **Annexure-II.**”

3.24 On being asked about the origin of TRAs, the Ministry stated that the Textiles Research Associations were formed as industry's bodies at different point of time and in 1961, six TRAs came under the

purview of the Council of Scientific and Industrial Research (CSIR) for partial funding. In 1978, the responsibility of partial funding of these associations came under the purview of Ministry of Industry. Further in 1980, they were transferred to the Ministry of Commerce and Civil Supplies. In 1986-87, responsibility of the partial funding to these TRAs was shifted to the Ministry of Textiles, after creation of this new Ministry. Ministry of Textiles continues to fund these associations for their R&D related projects and partial support through non plan grant for meeting their administrative expenses. The TRAs submit their annual performance report and annual accounts to the Ministry of Textiles which are placed on the Table of both the houses of the Parliament every year.

Technology Upgradation Fund Scheme

3.25 The allocation and expenditure under TUFS. year wise since its inception, is as under:

(Rs. Crores)

Financial Year	Budget Provision (in crores)	Total expenditure

1999-00	1.00	1.00
2000-01	70.00	70.00
2001-02	200.00	198.89
2002-03	220.00	202.59
2003-04	250.00	249.06
2004-05	284.00	283.61
2005-06	485.00	485.00
2006-07	835.00	823.92
2007-08	1143.37	1143.37
2008-09	2632.00	2632.00
2009-10	2890.00	2886.03
2010-11	2786.68	2784.18
2011-12	2980.00	2488.30
2012-13	2323.03	2151.66
Total	17100.08	16399.56 "

The State-wise details for the expenditure on TUFS and the cases dealt by lending agencies/banks are not maintained by the Office of the Textile Commissioner. Similarly, the Ministry stated that the details of SC/ST entrepreneur beneficiaries are not maintained and since TUFS is a back-ended interest reimbursement scheme the location-wise details of claims are not maintained.

3.26 When asked about the number of claims made under TUFS for the investments/expenditure of less than Rs. 5 lakhs, the Ministry in their written reply stated:

“TUFS is essentially a bank-driven scheme and details in respect of Modified TUFS may have to be obtained from the Lending Agencies. In respect of Restructured TUFS scheme there are only 5 cases under Rs 5 lakh investment out of total 3741 approved cases. Regarding the cases of 20% CLCS/MMS- TUFS and 15% MMS - TUFS routed through Office of the Textile Commissioner, the following claims were made for investment/expenditure (subsidy) of less than Rs.5 lakh :-

Year	No. of claims (20% CLCS/MMS)	No. of claims (15% CLCS/MMS)
2003-04	*(4)	-
2004-05	*(150)	-
2005-06	*(368)	-

2006-07	362 (827)	-
2007-08	191 (570)	Routed through O/o Tx.C. since November 2007.
2008-09	146 (404)	271 (307)
2009-10	126 (363)	534 (607)
2010-11	66 (233)	427 (472)
2011-12	128 (293)	500 (573)
2012-13	151 (528)	454 (579)
Total	1170 (3740)	2186 (2538)

* Data not available. Figures in brackets indicate Total number of claims made.

3.27 On being asked about the procedure for creating awareness amongst the beneficiaries about the benefits of the scheme in remote areas, the Ministry replied that awareness campaigns were launched for awareness of scheme in association with Lending agencies and various Industry Associations at All India and local levels. The scheme details are also available on the web-site of Office of Textile Commissioner for wider publicity. The seminar /workshop with Powerloom associations, Powerloom organizations and stakeholders are conducted by Powerloom Service Centres regularly for creating awareness about the schemes including TUFS among the powerloom weavers. The advertisements and

publicity of the Government schemes, Programmes, Training Programmes etc. are given in local newspapers. The Weavers/ workers are also directly contacted to advise them to upgrade the skills & avail the benefits of the schemes etc. Exposure Visits of the weavers are also organised with special emphasis to create awareness about TUFS and technology of the machinery. Further all the schemes and programmes are kept in website of the Office of the Textile Commissioner as well as Ministry of Textiles. The State-wise R-TUFS subsidy sanctioned by Ministry of Textiles is given in **Annexure-III.**

Health Insurance Schemes

3.28 On being asked as to why all the weavers/workers, in the purview of various schemes of the Ministry, are not covered under one single health insurance scheme, the Ministry stated that pursuant to the budget announcement of 2005-06 by the Finance Minister, the Health Insurance Scheme (HIS) for handloom weavers was introduced in 2005-06 for coverage of 3.00 lakh handloom weavers. Since the scheme proved to be very beneficial to the handloom weavers, the benefits of the scheme were extended to large no of handloom weavers. Since no such scheme was in operation to provide IPD as well as OPD to the handloom weavers and ancillary workers, the HIS for handloom weavers was

continued separately by Office of the Development Commissioner for Handlooms. Now, as Ministry of Labor & Employment (MoLE) has agreed in principle to provide OPD facility additionally to the handloom weavers under the Rashtriya Swasthya Bima Yojana (RSBY). It has now been proposed to run HIS on the pattern of RSBY scheme for two years(2013-14 & 2014-15) after which, the scheme is proposed to be merged with RSBY.

CHAPTER-IV

RECOMMENDATIONS/OBSERVATIONS

4.1 The Committee observe that the Ministry could not utilize their budgetary allocation of Rs 7000 crores for Plan expenditure during the year which stood revised to Rs 4500 crores. According to the Ministry, the two schemes pertaining to Handloom sector namely 'Revival, Reform and Restructuring Package for Handloom sector' and Mill Gate Price Scheme did not take off as expected, resulting in shortfall in the expenditure. The budgetary estimates of Rs 2900 crores under the head 'Revival, Reform and Restructuring Package for Handloom sector' were reduced to Rs 600 crores at the revised estimates stage, however, the Ministry could spend Rs 291 crores only during the year since a total of 23 Apex, 3750 Primary Weavers Cooperative societies (PWCs) and 52000 individual weavers could be covered under the norms of the package as against targeted 45 Apex, 16000 PWCs and about 6 lakh commercial weavers exclusively. The Ministry have informed that definite requirements of the funds could only be

determined after carrying out statutory audit of the functional cooperatives upto 2009-10 followed by special audit by NABARD. The Committee recall that the package was announced amid much fanfare by the Finance Minister in his budget proposals for the year 2011-12 and now they find to their utter dismay that Ministry are not able to find beneficiaries for loan waiver and debt restructuring. The Committee note that though a revised package is under finalization, it is beyond their comprehension as to why, in the first instance, a populist package was announced without doing any ground work. The Committee are of the view that the Ministry routinely formulate schemes/ programmes without even estimating the numbers of targeted beneficiaries thereof. The Committee had also observed in their Twenty-Ninth Report on Demands for Grants for 2012-13 that “formulation of schemes, without a fair assessment of the target group and the dimensions of the problems afflicting them, is a shot in the dark” which has been proven ‘to the hilt’ in the instant case too. The Committee, while reiterating their earlier recommendation, expect the Ministry to be extra cautious in the future and take steps to complete all the pending surveys in time and initiate new surveys wherever

considered necessary before new schemes are proposed to the Planning Commission et al for approvals etc.

The Committee note that the Ministry have been provided Rs.175 crores for the Revival, Reforms and Restructuring Package in the current year. The Committee find from the reply of the Ministry that they have proposed relaxation in eligibility norms and extension of cut-off eligibility date and, therefore, additional funds would be required under the scheme. The Committee strongly desire that the Ministry of Textiles approach the Ministry of Finance for enhanced allocation so that maximum weavers get the benefit of the loan waiver scheme.

4.2 The scrutiny of Demands for Grants reveals that the Ministry have not been able to utilize allocation in respect of Mill Gate Price Scheme due to the lack of demand under the newly introduced 10% hank yarn subsidy scheme. The Committee note that the Ministry were able to cover only 30% of the looms for issuing yarn passbooks which are needed to avail the benefits of the 10% hank yarn subsidy by individual weavers. The Committee

strongly feel that adequate publicity to the hank yarn subsidy and local yarn depots schemes should be given and registration camps be organized with the help of district administration and gram panchayats to cover maximum number of weavers. The Committee observe from various reports that the smallest of weavers are not able to even purchase the minimum selling quantity and are, therefore, dependant on master weavers for supply of yarn who exploit them. They, therefore, desire that more and more yarn depots/ banks may be opened across the handloom dominated areas in all States to ensure that the small weavers are able to purchase smaller quantities. They also desire that feasibility of making yarn available on credit may also be explored. They desire to be apprised of the action taken in the matter at an early date.

4.3 The Committee observe that the Ministry are dependant on banks for implementation of some of their schemes like Revival, Reforms and Restructuring Package for the Handloom Sector and Institutional Credit component of the Integrated Handloom Development Scheme among others. According to the procedure, either the weaver has to approach the banks with a request on

plain paper for waiving the loan or the banks have to suo-moto examine their records and find out loans taken by weavers and submit the claims to NABARD for loan waiver and the ultimate responsibility of implementing the scheme successfully lies with the lending institutions. Further, the Ministry have stated that general apathy of the banks in implementing Institutional credit component of IHDS has resulted in low issuance of weavers credit cards. The Committee are of the view that banks mostly in the public sector are already over burdened with the responsibility of implementing many of the schemes of the Government of India across various Ministries. It, therefore, becomes imperative that instead of depending on banks, the Ministry need to evolve other methods to implement their schemes successfully. The Ministry should devise innovative ways to reach out to the beneficiaries by organizing camps in collaboration with banks and State Governments not only in clusters but also in the rural and far-flung areas. Further, where banking services are not available, the institutional credit component of the IHDS could also be implemented through post-offices which are more wide spread. The Ministry should also take steps for the betterment of the poorest of

poor weavers who are suffering under the burden of loans taken from the local money lenders and the debts of master weavers and consider involving local school teachers in identifying the weavers who have overdue loans by interacting with both banks and weavers.

4.4 The Committee note that the Ministry have prepared a proposal to modify the definition of 'handloom' to reduce the drudgery of handloom weavers. As per proposed definition of handloom, 'handloom means any loom, other than powerloom, and includes any hybrid loom on which at least one process for weaving requires manual intervention or human energy for production'. The Committee also note from the reply of the Ministry that in the ensuing Advisory Committee meeting, various issues involved in the proposed amendment in definition of 'handloom' and in particular how norms and mechanisms should be evolved so that power looms could be differentiated from handlooms would be discussed. The Committee are of the firm view that the proposal has lingered on for a while now and that the modification in definition may be expedited to enable handloom weavers to

modernize without any adverse effects on the benefits received by them. The Committee also feel that after changing the definition a complete overhaul/review of the schemes meant for handloom sector may also be done to give handlooms a big boost. They also note that though some of the handloom schemes have been merged still a lot more needs to be done particularly for the ancillary workers, women weavers/ workers and weavers/workers belonging to the disadvantaged sections of the society. They are also hugely concerned about the pathetic conditions of small powerloom weavers who are too small to sustain on their own in a vast decentralized powerloom sector. The Committee, therefore, desire the Ministry to take steps to include these small powerloom weavers/ workers (to be identified on the basis of number of looms and electricity load) under the schemes meant for handloom weavers so that they also get similar benefits.

4.5 The Committee note that Indian Institutes of Handloom Technology (IIHT) have been set-up to provide qualified and trained manpower to the handloom sector and to undertake experimental and research programmes on all aspects of the handloom industry. They further note that the criteria for opening an IIHT in any area

is concentration of weavers and production of handloom in that particular area/ State. The Committee desire that these IIHTs should invariably involve themselves in 'extension programmes' wherein these institutes should help in spreading awareness of the various schemes of the Ministry, equipping the weavers with the modern technology, identify the strengths of the local weavers and helping them in marketing their products. They further are of the view that exuberance of the youngsters studying in the institutes be harnessed fully by involving them in developmental efforts of the Government can go a long way in improving the livelihood of the poor local population.

4.6 The Committee are disappointed to note the Ministry's lack of concern for the job workers and the hired powerloom workers. The fact that Ministry have not thought of any welfare measures for such category of workers shows the apathetic approach of the Ministry towards this very poor class of weavers. The Committee are of the view that the Ministry ought to take steps for the betterment of weavers who are working on powerlooms owned by others so that they are not exploited by the affluent weavers. The Ministry of Textiles should also take up with

the State Governments the issue of periodic revision/fixation of the minimum wages paid to these weavers in tandem with Ministry of Labour and Employment regarding effective implementation of labour laws for the welfare of these weavers/workers.

4.7 The Committee observe that the Ministry have no definite strategy to help poor powerloom weavers who are not able to sell their products and the efforts of the Ministry are limited to organizing a few Buyer-Seller Meets in a year. The Committee further note that the Ministry have explained the marketing assistance given to the handloom weavers which affirms that nothing concrete is being done to help poor powerloom weavers. The Committee are of the strong view that a multi-pronged strategy is the need of the hour to help these weavers. The Ministry should, in the first instance, make efforts to find dedicated buyers for these weavers and follow it up with improved infrastructure, modernization, training and market/ demand driven production.

4.8 The documents furnished to the Committee reveal that the regional office of Textile Commissioner in Kanpur has been shifted to Noida and a new regional office has been opened in Indore. On further scrutiny, they found that the Annual Report of the Ministry still states that there are eight regional offices of the Textile Commissioner in India, one of which is in Kanpur. According to the Ministry, the decision to shift the office from Kanpur was taken on the basis of the report of IIM Bangalore on redefining the role of the office of Textile Commissioner. To their utter dismay, they find that IIM Bangalore did not conduct any survey of textile industry or powerlooms in Uttar Pradesh before making such a recommendation. Recommendation of IIM Bangalore was based only on the discussion with the office of Textile Commissioner and NITRA primarily an industry body which participated in the workshops conducted by IIM Bangalore. Further, it has been stated in the reply that since textile industry is declining in Uttar Pradesh, the office may be shifted to Indore which has a flourishing textile industry. The Committee are of the view that the office of Textile Commissioner is all the more required in a State where the industry is dying to take care of the

poor weavers who are suffering and migrating to other occupations. The position, however, is contradicted by the Ministry themselves through the information supplied by them under RTI Act 2005 which shows that number of powerlooms and other textile units and machinery in Uttar Pradesh outnumber the machines and production in Madhya Pradesh. The Committee, therefore, desire that the Ministry to review its decision to shift the office from Kanpur in light of the latest data and situation prevalent in textile industry in Uttar Pradesh.

4.9 The Committee note that the Ministry have spent Rs 16399 crores under the Technology Upgradation Fund Scheme(TUFS) since its inception. The Committee, however, are shocked to note that Ministry do not maintain any data regarding the location, category or class of the beneficiaries. Furthermore, in respect of Restructured TUFS, there were only 5 cases out of total 3741 approved cases where investment was less than Rs 5 lakhs. On perusal of the data regarding State-wise subsidy sanctioned under restructured TUFS, it is clear that already industrialized states like Gujarat and Maharashtra top the chart

while poor States like Bihar, Assam, Uttar Pradesh etc. lag far behind. This speaks volumes about the reach of the flagship Scheme of the Ministry. The Committee are of the view that it is high time that the TUFS be given a focused approach since there has been a skewed technology upgradation so far. The Committee desire that the Ministry identify the disadvantaged areas and sectors on the lines of 'priority sector lending' of the banks and 40-50% of the total allocation should be kept for this sector. The Committee find that the Ministry do not have any specific plan for spreading awareness about the scheme to the remote/industrially backward areas. They desire that the Ministry devise other ways to reach out to the priority sectors and encourage them to upgrade/invest in the latest technology for which the involvement of local MPs and MLAs may also be considered, if necessary.

4.10 The Committee observe that Research & Development Scheme of the Ministry of Textiles is implemented mainly through the eight Textile Research Associations. They are perturbed to find that the non-plan expenditure of the Ministry over the years on these eight TRAs is more than the Plan expenditure on R&D. They further find that these TRAs are industry bodies which have been

partially funded by different Ministries over the years latest being Ministry of Textiles. The Committee are of the view that the innovations/ achievements of these TRAs, which were formed in 1960s are lackluster and, therefore, the Ministry should, instead of funding these TRAs invest in research projects undertaken by institutions/ individuals across the spectrum. The Committee strongly feel that to increase the efficiency and output of the TRAs, the industry should fund them instead. The Committee desire that the immediate focus of the R&D efforts of the Ministry should be to provide easy upgradation/ modernization solutions which are region-specific, non-polluting technology and latest designs and designing techniques for the poor weavers while simultaneously striving to conserve/preserve the art of the master weavers.

4.11 The Committee observe that the Ministry of textiles are implementing separate health insurance scheme for workers of each sector namely Rajiv Gandhi Swasthya Bima Yojana, Health Insurance Scheme for Handloom Workers and Newly introduced health insurance scheme for powerloom weavers. Similarly, separate life insurance schemes for weavers/ workers under various

sectors are also being implemented. The Committee are of the view that instead of implementing separate schemes, the Ministry should endeavour to operate one umbrella scheme for all the weavers/ workers in the industry. The Committee desire that the Ministry of Textiles take up the issue of implementing the RSBY with Ministry of Labour and Employment for all the weavers/workers of the textile industry and not for handloom workers only.

**New Delhi;
18 April, 2013
28 Vaisakha, 1935 (Saka)**

**DARA SINGH CHAUHAN,
CHAIRMAN,
STANDING COMMITTEE ON LABOUR**

ANNEUXRE-I**STATUS OF TEXTILE INDUSTRY IN MADHYA PRADESH AND UTTAR PRADESH (PARA NO.3.20 REFERS)**

It is also mentioned here that the statistical data in respect of status of Textile Industry in Madhya Pradesh and Uttar Pradesh were provided by the Office of Textile Commissioner, Mumbai under RTI Act, 2005 vide their letter No.20 (164)/2010/RTI/Legal/33 dated 17.08.2010. The brief of status of textile industry in Uttar Pradesh is as under:-

Type of Textiles	Madhya Pradesh	Uttar Pradesh
Composite Mills	11	12
Spinnings	43	53
Weaving	8	20
Processing	25	109
Hosiery Knitting	Nil	2673
Hosiery Processing House	Nil	39
Brading Machines	Nil	1000
Technical Textile Units	55	243
Embroidery	100	950
Powerlooms	41706	211500
Shuttleless Powerlooms	Nil	1346
Zari Used Looms	Nil	580
Carpet Looms	Nil	100000
Needle Looms	Nil	500
Readymade Garment Units	2000	7200

- Two textile units M/s Ginni Filaments Ltd., Mathura and M/s Shree Laxmi Cotsyn Ltd. Fatehpur are falling in Uttar Pradesh which comes under top 10 units of the country.

ANNEXURE-II**(Para No.3.23 refers)****Significant achievements of TRA's in last five years is as follows:**

TRA	Year	Project Title
ATIRA	2009-10	Development of nano fibre based textiles
BTRA	2008-09	Plasma technology for textile processing
BTRA	2009-10	Nano technological studies on development of high performance polyester and polypropylene fibres
NITRA	2009-10	Development of NYCO fabrics for paramilitary and military combat uniforms
SASMIRA	2009-10	Application of supercritical fluid for dyeing
SITRA	2009-10	Development of speciality 3D compression bandage for lymph edema
WRA	2009-10	Development of internet based color matching facility for small and medium dye houses in decentralized sector.

The Plan expenditure on Research and Development and Non-Plan expenditure on TRAs in last few years is as follows:

Year	B.E.	R.E	Expenditure (Rs in Crores)
2003-04	2	2	2
2004-05	2	2	2
2005-06	2	2	2
2006-07	2	2	2
2007-08	2	2	2
2008-09	2	2	2
2009-10	10	10	10
2010-11	10	9	9
2011-12	9	9	7.5
2012-13	7	7	5.96

Partial non-plan support is made available to the 8 TRAs for recurring and administrative expenses through a separate non-plan grant in the budget. Non-plan grant given to TRAs in the last 5 years is as under:

Year	Non Plan Grant (Rs. In lakhs)
2008-09	859.60
2009-10	765.30
2010-11	1625.00
2011-12	764.90
2012-13	870.90

The total Plan assistance released to all TRAs from 2003-04 to 2011-12 stands at Rs.47 crores and the Non Plan Grant assistance to all TRAs stands at Rs.105.37 crores.

ANNEXURE-III**(Para No.3.27 refers)**

State-wise R-TUFS subsidy sanctioned by MOT

from time to time (Position as on 30.03.2013)

SL. No.	Name of the State	Sanctioned subsidy Amount (Rs.in Lakh)
1	ANDHRA PRADESH	2066.83
2	ASSAM	15.17
3	BIHAR	8.81
4	CHANDIGARH	182.00
5	CHATTISGARH	2.07
6	DADRA & NAGAR	2321.91
7	DAMAN & DIU	359.90
8	DELHI	1148.35
9	GUJARAT	17970.10
10	HARYANA	1475.03
11	HIMACHAL PRADESH	280.27
12	JAMMU & KASHMIR	22.10
13	KARNATAKA	2219.13
14	KERALA	52.59
15	MADHYA PRADESH	2295.89

16	MAHARASHTRA	7409.58
17	ORISSA	50.18
18	PONDICHERY	28.66
19	PUNJAB	8188.91
20	RAJASTHAN	3541.58
21	TAMIL NADU	3479.47
22	UTTAR PRADESH	704.41
23	UTTARANCHAL	40.91
24	WEST BENGAL	1097.70
	Total	54961.56

ANNEXURE-IV**Minutes of the Sitting of the Committee**

The Committee sat on 4th April, 2013 from 1130 hrs. to 1400 hrs. and 1500 hrs. to 1740 hrs. in Committee Room '074', Ground Floor, Parliament Library Building, New Delhi.

PRESENT**Shri Dara Singh Chauhan – CHAIRMAN****MEMBERS****Lok Sabha**

2. Dr. Virendra Kumar
3. Shri Narahari Mahato
4. Shri Hari Manjhi
5. Shri Bal Kumar Patel
6. Shri Mahendra Kumar Roy
7. Shri Rajiv Ranjan Singh (Lalan)
8. Shri K. Sugumar
9. Shri Bibhu Prasad Tarai
10. Shri Ashok Argal

Rajya Sabha

11. Smt. T. Ratna Bai
12. Shri D. Bandyopadhyay
13. Shri Thaawar Chand Gehlot
14. Shri Mohd. Ali Khan
15. Shri Ranbir Singh Parjapati
16. Smt. Renubala Pradhan
17. Shri Rajaram
18. Shri G.N. Ratanpuri
19. Shri Jai Prakash Narayan Singh

SECRETARIAT

1. Shri A.K. Singh	- Joint Secretary
2. Shri P.V.L.N Murthy	- Director
3. Shri Ashok Sajwan	- Additional Director
4. Smt. Bharti S. Tuteja	- Deputy Secretary

REPRESENTATIVES OF THE MINISTRY OF TEXTILES

S1.No.	Name of the Officer	Designation
1.	Ms. Zohra Chatterji	Secretary
2.	Smt. Anita Agnihotri	AS & FA
3.	Shri V. Srinivas	Joint Secretary
4.	Smt. Monika S. Garg	Joint Secretary
5.	Shri Sujit Gulati	Joint Secretary
6.	Smt. Sunaina Tomar	Joint Secretary
6.	Shri N.D. George	Economic Advisor
7.	Shri Subrata Gupta	Jute Commissioner
8.	Shri Balvender Kumar	DC (Handlooms)
9.	Shri S.S. Gupta	DC (Handicrafts)
10.	Smt. Ishita Roy	Member, Secretary, CSB
11.	Shri A.B. Joshi	Textile Commissioner
12.	Shri K.R. Pillai	CMD, NTC
13.	Shri B.K. Mishra	CMD, CCI
14.	Shri Nirmal Sinha	CMD, HHEC
15.	Shri Arun Kumar Chakraborty	CMD, JCI

16.	Shri J.K. Baweja	CMD, NHDC
17.	Shri Heerak Upadhyaya	CMD, BIC
18.	Shri Arjit Banerji	Secretary, NJB
19.	Shri Prem Kumar Gera	DG, NIFT
20.	Ms. Aarti Kanwar	MD, BJEL
21.	Smt. Alka Arora	MD, CCIC

2. At the outset, the Chairman welcomed the representatives of the Ministry of Textiles and invited their attention to the provisions contained in Direction 55 (1) of the Directions by the Speaker.

3. The Chairman, thereafter, asked the Secretary to brief the Committee regarding the Demands for Grants (2013-14) of the Ministry of Textiles.

4. The Secretary briefed the Committee on the budgetary allocations, revised estimates and the actual expenditure for the last year *vis-à-vis* for the year 2013-14 on various schemes/programmes undertaken by the Ministry through a power point presentation.

5. The Members, thereafter, asked questions and sought specific clarifications from the representatives of the Ministry on the various Schemes of the Ministry among others on the following issues/Schemes:-

(a) General Performance of the Ministry.

- (b) Reasons for significant reduction in Budgetary Estimates for Plan Expenditure.
- (c) Shortfall in Expenditure under various Schemes.
- (d) R&D measures taken by Central Silk Board.
- (e) Problems of silk sector and Jute sector.
- (f) Basis of determination of Minimum Support Price of cotton and Jute.
- (g) Low pace of expenditure under TUFS during last year.
- (h) Terms of loan waiver.
- (i) Incorrect estimates of beneficiaries of loan waiver package.
- (j) Modification of definition of 'handlooms'.
- (k) Reasons of closure of Regional Office of Textile Commissioner at Kanpur.
- (l) Welfare of powerloom workers.
- (m) Increase in allocation under R&D head.
- (n) Poor working conditions in textile mills.
- (o) Share of Indian textiles in global market.
- (p) Setting up of NIFT in J&K.

6. The Chairman, thereafter, directed the Secretary to send written replies to the unanswered queries and the Supplementary List of Points to the Secretariat within three days.

7. The Chairman thanked the Secretary and other officials for giving valuable information to the Committee on various subjects.

{The witnesses then withdrew}

The Committee again sat from 1500 hrs. to 1740 hrs.

8.	XX	XX	XX
9.	XX	XX	XX
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11.	XX	XX	XX
12.	XX	XX	XX
13.	XX	XX	XX

A copy of verbatim proceedings of the sitting was kept for record.

{The witnesses then withdrew}

The Committee then adjourned.

XX Do not pertain to this Report.

Minutes of the Sitting of the Committee

The Committee sat on 16th April, 2013 from 1200 hrs. to 1235 hrs. in Room No.62, Parliament House, New Delhi.

PRESENT

Shri Dara Singh Chauhan – CHAIRMAN

MEMBERS

Lok Sabha

2. Dr. Virendra Kumar
3. Shri Narahari Mahato
4. Shri Hari Manjhi
5. Shri Mahendra Kumar Roy
6. Shri Rajiv Ranjan Singh (Lalan)
7. Shri K. Sugumar
8. Shri Ashok Argal

Rajya Sabha

9. Smt. T. Ratna Bai
10. Shri Thaawar Chand Gehlot
11. Shri P. Kannan
12. Shri Mohd. Ali Khan
13. Shri Ranbir Singh Parjapati
14. Smt. Renubala Pradhan
15. Shri Jai Prakash Narayan Singh

SECRETARIAT

1. Shri A.K. Singh	-	Joint Secretary
2. Shri P.V.L.N Murthy	-	Director
3. Shri Ashok Sajwan	-	Additional Director
4. Smt. Bharti S. Tuteja	-	Deputy Secretary

2. At the outset, the Chairman welcomed the Members and apprised them about the draft Reports on Demands for Grants for the year 2013-14 of the Ministry of Labour and Employment and Ministry of Textiles respectively.

3. XX XX XX

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 then authorized the Chairman to finalise the Reports 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.