

**STANDING COMMITTEE ON LABOUR  
(2016-17)**

**SIXTEENTH LOK SABHA**

**MINISTRY OF TEXTILES**

**[Action Taken by the Government on the Observations/  
Recommendations of the Committee contained in their  
Eighteenth Report (Sixteenth Lok Sabha) on 'Demands for  
Grants (2016-17)']**

**TWENTY-FIRST REPORT**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

**December, 2016/Agrahayana, 1938 (Saka)**

**TWENTY-FIRST REPORT**

**STANDING COMMITTEE ON LABOUR**

**(2016-17)**

**(SIXTEENTH LOK SABHA)**

**MINISTRY OF TEXTILES**

**[Action Taken by the Government on the Observations/  
Recommendations of the Committee contained in their  
Eighteenth Report (Sixteenth Lok Sabha) on 'Demands for  
Grants (2016-17)' of the Ministry of Textiles]**

**Presented to Lok Sabha on 15.12.2016**

**Laid in Rajya Sabha on 15.12.2016**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

**December, 2016/Agrahayana, 1938 (Saka)**

## CONTENTS

PAGE No.

*COMPOSITION OF THE COMMITTEE* (iii)

*INTRODUCTION* (iv)

CHAPTER I	Report.....
CHAPTER II	Observations/Recommendations which have been accepted by the Government.....
CHAPTER III	Observations/Recommendations which the Committee do not desire to pursue in view of the Government's reply.....
CHAPTER IV	Observations/Recommendations in respect of which replies of Government have not been accepted by the Committee and which require reiteration.....
CHAPTER V	Observations/Recommendations in respect of which replies of the Government are interim in nature .....

### **APPENDICES**

- I. Minutes of the sitting of the Committee held on 14.12.2016.
- II. Analysis of the Action Taken by Government on the Observations/Recommendations contained in the Twenty First Report (Sixteenth Lok Sabha)

**COMPOSITION OF THE STANDING COMMITTEE ON LABOUR  
(2016-17)**

**DR. KIRIT SOMAIYA      -      CHAIRPERSON**

**MEMBERS**

**Lok Sabha**

2. Shri Udayanraje Pratapsingh Bhonsle
3. Shri Rajesh Diwakar
4. Shri Ashok Kumar Dohrey
5. Shri Satish Chandra Dubey
6. Shri Devajibhai Fatepara
7. Shri Satish Kumar Gautam
8. Dr. Boora Narsaiah Goud
9. Shri Rama Chandra Hansdah
10. Shri C. N. Jayadevan
11. Shri Bahadur Singh Koli
12. Dr. Arun Kumar
13. Shri Kaushalendra Kumar
14. Shri Hari Manjhi
15. Shri R. Parthipan
16. Shri Dayakar Pasunoori
17. Shri Hariom Singh Rathore
18. Shri Y.S. Avinash Reddy
19. Shri Naba Kumar Sarania (Hira)
20. Shri Kodikunnil Suresh
21. Shri Mulayam Singh Yadav

**Rajya Sabha**

22. Shri Ram Narain Dudi
23. Shri N. Gokulkrishnan
24. Shri Nazir Ahmed Laway
25. Shri P.L. Punia
26. Shri Rajaram
27. Shri Amar Shankar Sable
28. Haji Abdul Salam
29. Ms. Dola Sen
30. Shri Tapan Kumar Sen
31. Shri Ravi Prakash Verma

**SECRETARIAT**

- |                           |   |                     |
|---------------------------|---|---------------------|
| 2. Shri N.C.Gupta         | - | Joint Secretary     |
| 3. Shri Anita B.Panda     | - | Director            |
| 4. Shri D.R. Mohanty      | - | Additional Director |
| 5. Smt. Archana Srivastva | - | Under Secretary     |

## **INTRODUCTION**

I, the Chairperson, Standing Committee on Labour (2016-17) having been authorized by the Committee do present on their behalf this Twenty First Report on Action taken by the Government on the Observations/Recommendations of the Committee contained in their Eighteenth Report (Sixteenth Lok Sabha) on Demands for Grants (2016-17) of Ministry of Textiles.

2. The Eighteenth Report was presented to Lok Sabha and also laid in Rajya Sabha on 3<sup>rd</sup> May, 2016. The Ministry of Textiles furnished their replies indicating action taken on the Observations/Recommendations contained in Eighteenth Report on 7<sup>th</sup> September, 2016. The Committee considered and adopted the Draft Report at their sitting held on 14<sup>th</sup> December, 2016

3. An analysis of the action taken by Government on the Observations/Recommendations contained in the Eighteenth Report of the Standing Committee on Labour (Sixteenth Lok Sabha) is given at Appendix-II.

4. For the ease of reference Observations/Recommendations of the Committee have been printed in thick type in the body of the Report.

**New Delhi;**  
**14<sup>th</sup> December, 2016**  
***23<sup>rd</sup> Agrahayana, 1938 (Saka)***

**DR. KIRIT SOMAIYA**  
**CHAIRPERSON**  
**STANDING COMMITTEE ON LABOUR**

## CHAPTER-I

### REPORT

This Report deals with action taken by the Government on the Observations/Recommendations of the Committee contained in their Eighteenth Report (Sixteenth Lok Sabha) on Demands for Grants (2016-17) of the Ministry of Textiles.

2 The Eighteenth Report was presented to Lok Sabha and also laid in Rajya Sabha on 3<sup>rd</sup> May, 2016. It contained 27 Observations/Recommendations. Replies of the Government in respect of all these Recommendations have been received and are categorized as under:-

- |       |   |  |
|-------|---|--|
| (i)   | Observations/Recommendations which have been accepted by the Government –<br><b>Rec. Para Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 21, 22, 24, 25, 26 and 27</b> | <b>Total:24</b><br><b>Percentage:88.89</b> |
| (ii)  | Observations/Recommendations which the Committee do not desire to pursue in view of the Government's reply –<br><b>NIL</b>  | <b>NIL</b>                                 |
| (iii) | Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration –<br><b>Rec. Para No.13, 20and 23</b>      | <b>Total:03</b><br><b>Percentage:11.11</b> |
| (iv)  | Observations/Recommendations in respect of which replies of the Government are interim in nature-<br><b>NIL</b>   |  |

**3. The Committee desire that Action Taken Notes in respect of Observations/Recommendations contained in Chapter I of this Report be furnished to them at the earliest.**

## **I. Utilisation of Budgetary Allocations**

### **(Recommendation Para No. 4)**

4. In their Eighteenth Report, the Committee had noted that against the Ministry's proposed outlay of ₹ 3829.53 crore for the year 2016-17, the Ministry of Finance had approved ₹ 3,500 crore only. ₹150 crore more were reduced in the last minute allocations, finally making the allocations at ₹ 3,350 crore. While rejecting the reasoning given by the Financial Advisor that the cut was a unilateral move and holistic exercise done by the Department of Expenditure, the Committee viewed that the reduction in allocations might have done keeping in view the trend of expenditure and utilisation of funds over the years by the Ministry of Textiles. The Committee had, therefore, opined that instead of drawing solace from similar fate being meted out to other Ministries too, the Ministry of Textiles, having tremendous potential for additional employment generation, should seriously endeavour in improving their own performance in the utilisation of Plan Outlays so as to stop recurrence of repeated reductions in their Budgetary proposals in future.

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

" All Administrative Divisions have been requested to note the above observation/recommendation of the Hon'ble Standing Committee for strict compliance and have also been requested that they should seriously endeavour for improving the performance in the utilization of Plan Outlays so as to stop recurrence of repeated reductions in the Budgetary proposals in future.

During 2015-16, an amount of Rs.76.01 crore was re-appropriated from TUFs(Plan ) to subsidy to Jute Corporation of India towards Price Support as advised by M/o Textiles.."

**6. The Committee appreciate that pursuant to their recommendations, all Administrative Divisions have been requested by the Ministry to seriously endeavour for improving their performance in the utilisation of their Plan outlays. The Committee trust that the Ministry will**

**periodically monitor the performance of the Administrative Division to ensure compliance with the instructions issued for maximum utilisation of plan outlays.**

## **II. Provision of Healthcare Facilities to Weavers and Artisans**

### **(Recommendation Para No. 13)**

7. In their earlier Report, the Committee had noted that the Textiles Ministry's Health Insurance Scheme was merged with the Labour Ministry's Rastriya Swasthya Bima Yojna (RSBY) which had subsequently been transferred to the Ministry of Health & Family Welfare w.e.f 1st April, 2015. A restructured RSBY which was being formulated by the Health Ministry would be implemented w.e.f 1st April, 2017. As the restructured scheme would be implemented from 2017-18 onwards by the Health Ministry, the Committee had desired that the weavers be covered under the existing pattern of the RSBY during 2016-17. The Committee had also desired that as assured by the Secretary, the feasibility of empanelling the ESI Hospitals be explored for provision of healthcare facilities to the weavers and artisans covered under Health Insurance Schemes.

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

"The Office of Development Commissioner for Handlooms is in constant touch with Ministry of Health & Family Welfare (MoH&FW) to enroll the weavers for the year 2016-17. In this connection a Workshop was held on 6<sup>th</sup> May, 2016 under the Chairmanship of DC (Handlooms) to discuss the implementation modalities of RSBY. In this workshop all the RSBY implementing State Directors of Handlooms, State Nodal Agency (SNA) and Officers from MoH&FW participated. Currently the Rastriya Swasthya Bima Yojna (RSBY) is being implemented through State Nodal Agencies (SNA) of the RSBY implementing States. SNA are selecting

Implementing Agency through tender process and this Ministry has informed Ministry of Health and Family Welfare of approval for the year 2016-17. Re-structured Health Insurance Scheme (HIS) will be implemented by MoH&FW w.e.f. 1<sup>st</sup> April, 2017. The issue of empanelling ESI Hospitals for provision of healthcare facilities is being referred to MoH&FW."

**9. The Committee note that the issue of empanelling the ESI Hospitals for provision of healthcare facilities to the weavers and artisans is being referred directly to the Ministry of Health and Family Welfare. The Committee desire that the Ministry of Textiles in their endeavour for empanelling ESI Hospitals should involve the nodal Ministry i.e. the Ministry of Labour and Employment in the process.**

### **III. Powerloom Mega Cluster Scheme**

#### **(Recommendation Para No.20)**

10. The Committee in their 18th Report had noted with concern that under the Powerloom Mega Cluster Schemes, where subsidy upto Rs.50 crore per cluster was provided, setting up of five mega clusters at Bhiwandi, Bhilwara, Ichalkaranji, Erode and Surat had been adversely affected due to non-availability of land, resource constraints of the stake holders etc. While the projects at Bhilwara and Bhiwandi have been shifted to other places, projects at Erode and Surat were at the initial stages. The Committee were not satisfied with the state-of-affairs and had impressed upon the Ministry to take corrective measures and effectively coordinate with the State Governments and other stakeholders concerned so that the five mega clusters were established within a definite time line and the intended objective of benefitting the powerloom weavers achieved.

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

"The Powerloom Mega Clusters at Erode and Bhiwandi were announced by the Hon'ble Finance Minister during the Budget Speech in the year 2008-09. The Powerloom Mega Clusters at Bhilwara, Ichalkaranji and Surat were also announced during the year 2009-10, 2012-13 and 2014-15 respectively. Initially the scheme was monitored by the Ministry of Textiles directly. At present, Ministry of Textiles has been monitoring the implementation of all the Powerloom Mega Clusters through O/o the Textile Commissioner and its regional offices since last one year. In order to ensure an effective coordination amongst various stakeholders and the State Governments at cluster level, a Cluster Coordination Group (CCG) would be set up under the Chairmanship of the respective District Collector. This CCG would be responsible to examine the DCR/DPRs submitted by CMTA and will make its recommendations to Ministry. CCG will also be responsible for local coordination and regular review of implementation of the Scheme at cluster level. The member of CCG consists of, the Chairperson of Industry Associations related to cluster, representatives of concerned sector of State Govt. Deptt. representatives of related Central Govt. Organisations and representative of CMTA, Chairperson of SPV(s) as a representative and an officer nominated by the Textile Commissioner shall be the Convener of CCG. For smooth implementation of these projects, Ministry of Textiles has been regularly following up with the State Government concerned whenever it is required, for taking necessary action and providing necessary cooperation for setting up of these projects. The office of the Textile Commissioner has been making concerted effort at expediting the projects despite constraints such as non-availability of land and low level of stakeholder interest. As a result, the projects at Ichalkaranji and Bhilwara are now making headway.

**12. While appreciating the various measures initiated by the Ministry including delegation of monitoring to the Office of the Textile Commissioners and their regional offices to expedite setting up of Powerloom Mega Clusters for the benefit of the Powerloom Weavers, the Committee would like to be apprised of the details of the shifting of the clusters earlier intended to be set up at Erode and Bhiwandi.**

#### **IV. R&D and Institutional Development Programme**

##### **(Recommendation Para No.21)**

13. In their earlier Report the Committee had noted that the R&D and Institutional Development Programme which was launched in 2014-15 for a period of five years was still at the initial stage for want of adequate response from the Research Institutions. The Ministry's expectations that in the coming years the expenditure in that direction would increase substantially were not convincing in view of the slow progress of the Programme. The Committee had, therefore, impressed upon the Ministry to take recourse to urgent punitive measures to intensify the publicity campaigns for obtaining adequate proposals from the Research Institutions so that R&D and Institutional Development were carried out in the Textile sector, as envisaged.

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

"To promote Research & Development Scheme necessary efforts have been taken on behalf of Ministry. The Scheme has been revised and two new components have been added. The Textile Commissioner and Jute Commissioner have already invited proposals under the scheme. Review meetings have been taken with TRAs, prompt action been taken to hold

the PAMC and PAC meeting to approve the project proposals. In order to achieve the objectives of the revised schemes, all Joint Secretaries have been requested to indentify the specific felt needs for R&D under their domain so that the same can be taken up with various research agencies including TRAs, IITs etc. under various schemes. Besides, Ministry of Textiles is also participating in the “IMPRINT” scheme of Ministry of Science and Technology and “Uchhatar Avishkar Yojana” of Ministry of Human Resource Development.

**15. The Committee note that the R&D and Institutional Development Programme was launched in 2014-15 for a period of five years which as per the reply of the Ministry has been revised and two new components have been added. Since, the Scheme was for a period of five years and out of which three years have almost elapsed, the Committee desire that the efforts be further intensified so that in the remaining two years the goal is achieved.**

## **V. Functioning of Jute Mills**

### **(Recommendation Para No.23)**

16. In their earlier Report, the Committee had found that most of the jute mills were not operating throughout the year and to their full capacity. Further, workers in jute mills were not getting their statutory dues even after retirement. The Committee had opined that it was the moral obligation of the Ministry to protect the jute workers and their families from exploitation by unscrupulous elements besides ensuring their socio-economic up-liftment. The Committee had, therefore, exhorted the Ministry for taking serious and urgent measures, in unison with the State Governments concerned, to ensure that the jute mills functioned to their full potential throughout the year and the workers

get their rightful dues. They had also recommended for taking stringent action against those who violated the statutory provisions of various Acts governing the Jute Sector.

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

"The Ministry of Textiles has taken following action :-

1. As per the available record, total dues of jute mill workers of 47 jute mills on account of Provident Fund is Rs.12063.20 lakh. In all cases the jute mills have filed cases in different courts/judicial bodies including Lower Courts, Higher Courts, BIFR. The issues of non-payment of statutory dues of workers fall within the purview of Labour Department of the concerned State, Regional Provident Commissioner and Chief Labour Commissioner (Central).

2. The Ministry of Textiles has been supporting jute sector through Jute Packaging Material Act, 1987 which has made use of jute sacking mandatory for packaging of food grains. At present a minimum of 90% of food grains and a minimum of 20% of sugar are to be mandatorily packed in jute sacking. During 2015-16, the share of B.Twill production in total production of jute goods was more than 65% which is 8% higher than that of the previous year. Because of this assured market, the jute mills have stopped exploring private market and have become over dependent on Government order. They do not feel the need to modernise their units and keep on operating below their actual production capacity."

**18. The Committee take note of the reply of the Ministry in regard to non-payment of PF dues to the Jute Mill workers. The Committee are fully aware that the Labour Department of the State concerned is legally responsible for the issues of non-payment of statutory dues of workers,**

**but it is the moral obligation of the Textile Ministry/National Jute Board/Jute Corporation of India to take care of welfare of the workers in jute producing/manufacturing units. Moreover, being the principal employer it is the responsibility of the Ministry/NJB/JCI to pursue the statutory requirements and protect the interest of the Jute Mill workers.**

**CHAPTER-II**  
**OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE**  
**GOVERNMENT**

**(Recommendation No. 1)**

The Committee are deeply anguished to note the abysmally low cumulative utilisation of funds by the Ministry of Textiles during the last four years, especially the first two years of the XII Plan period. To illustrate, against the Ministry's proposed outlay was Rs.40,203.19 crore for the XII Plan the approved outlay of Rs.25,931 crore and the final allocation was Rs.15,215.37 crore at the RE stages. Even after such drastic reductions in the Plan outlay, the Ministry have not been able to fully utilise the reduced allocations as is corroborated from the fact that the cumulative expenditure from 2012-13 to 2015-16 (as on 19th March, 2016) was Rs.12,933.80 crore. Needless to mention that it is most unlikely that the Ministry would be able to utilise the remaining amount of around Rs.2,200 crore in the last 12 days of the 2015-16 fiscal. The Ministry's explanation that the cumulative expenditure percentage during the first four years of the XII Plan period has been 85 percent vis-a-vis the RE allocations does not hold good in view of the disconnect observed in the Ministry's Plan proposals, the approved outlay and finally the expenditure incurred. Equally unconvincing is the reasoning that the low utilisation of funds during the initial years of the Plan period was due to the erstwhile system of getting clearance from the Department of Expenditure for expenditure beyond a certain amount on Plan Schemes. The fact of the matter is that the main reasons for shortfalls in the utilization of Plan outlay have been non-receipt of viable proposals, delay in receipt of utilisation certificates, procedural delays etc., as also admitted by the Ministry. The Committee in their earlier Reports, have time and again impressed upon the Ministry to resort to effective measures to overcome these recurrent impediments which adversely impacting the utilisation of funds. The Committee are, therefore, of the firm view that it is high time the Ministry ironed out the deficiencies / anomalies and embarked upon the concrete measures so as to ensure optimal utilisation of the Plan outlays in the coming years.

**Reply of the Government**

Recommendation of the Committee has been noted for compliance. Due care is being taken so as to ensure optimal utilisation of approved annual & Five Year Plan outlay.

The year wise budget provision under Plan Head and expenditure under the Ministry of Textile during first four years of 12th Five Year Plan i.e 2012-13 to 2015-16 and the BE for 2016-17 and the expenditure upto 7th July, 2016 are given below:

S.No.	Year	BE	RE	Actual Expenditure	% over BE	% over RE
1	2012 – 13	7000.00	4500.00	3627.39	51.82	80.60
2	2013 – 14	4631.00	3900.00	3167.57	68.39	81.22
3	2014 – 15	4831.00	3500.00	3320.51	68.73	94.87
4	2015-16	3523.32	3239.36** (as on 31.03.16)	3111.76	88.32	96.06
5	Total of 4 yrs.	19985.32	15139.36	13227.23	66.18	87.37
6	2016-17	3350.00		1149.86	34.32	(upto 7.7.2016)

\*\* while the RE for Plan funds in 2015-16 was Rs.3315.37 crore, Rs.76.01 crore was re-appointed from Plan to the Non-Plan side to subsidize JCI for price support reducing the defacto RE to Rs. 3239.36

The expenditure under various schemes is reviewed by the Secretary in weekly meetings with Divisional heads and AS&FA. This has fine tuned releases to a great extent. It may be noted that the Ministry has already spent more than 34% funds in the first quarter of 2016-17. Further release position has improved significantly both w.r.t. the BE and RE over the years.

**Ministry of Textile's O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

### **(Recommendation No. 2)**

The Committee note that the BE 2015-16 for plan expenditure was Rs.3,523.31 crore which was reduced to Rs.3,315.31 crore at the RE stage and the final allocation was Rs.3,208 crore. The Plan expenditure as on 28th March, 2016 has been Rs.2976 crore (89.6 percent) and the Ministry were expecting to cross 96 percent expenditure by 31st March, 2016. In this context, the Committee find that the likely surrender of funds in the Plan expenditure would be to the tune of Rs.252.74 crore and most of the savings are anticipated under the Scheduled Caste Sub Plan (SCSP) and Tribal Sub Plan (TSP) components as very few proposals/ applications have been received under these components of the Plan Scheme. The Ministry are reportedly taking specific steps to design interventions in Handicrafts, Sericulture and Powerloom sectors in order to increase expenditure under the SCSP and TSP components. While expressing their serious concern over the likely savings under important components like SCSP

and TSP, the Committee would like the Ministry to firmly intervene in the matter and intensify their efforts for ensuring increased take off of the Schemes intended for the benefit and upliftment of SCs and STs leading to maximum utilisation of Plan outlays.

### **Reply of the Government**

Recommendation of the Committee has been noted for compliance. Out of the budget provision of Rs 3315.37 crore at the RE stage in 2015-16 an amount of Rs.76.01 crore was re-appropriated from TUFs (Plan) to subsidy to Jute Corporation of India towards price support, thereby reducing the final grant to Rs.3239.36 crore. An amount of Rs.3111.76crore was spent as on 31.03.2016 i.e an expenditure of 96.06% was incurred implying thereby a savings of Rs.127.60crore. A major component of this saving has been on account of savings under Scheduled Caste Sub Plan (SCSP) component of Rs 99.34 crore and 7.64 crore under Tribal Sub Plan (TSP).

The Ministry of Textiles have accordingly since announced special provisions for the SC & ST under the modified InsituUpgradation of Plain Powerlooms approved by the SFC on 1.4.2016 wherein as against 50% subsidy provided for General candidates, 75% is being provided for SC candidates and 90% for ST candidates for in-situ Powerloom upgradation. With the receipt of proposals under the new scheme, it is hoped that fund utilization for SC/ST components will improve in the coming year.

**Ministry of Textile's O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

### **(Recommendation No. 3)**

One disquieting aspect that has consistently engaged the attention of the Committee is the uneven pattern of expenditure by the Ministry, despite the Ministry of Finance's clear cut guidelines/ instructions not to exceed the ceiling of 33 percent expenditure in the last quarter and 15 percent in the month of March every financial year. The Ministry have submitted that the necessity for obtaining relaxation from the Finance Ministry to exceed the prescribed ceilings arises only when the compliance from the beneficiaries and Special Purpose Vehicles (SPVs) is received late. In view of the fact that uneven and disjointed pattern of expenditure hampers the planned implementation of the Schemes envisaged besides violating the fiscal discipline imposed by the Finance Ministry, the Committee impress upon the Ministry of Textiles to take corrective and coordinated measures for timely receipt of compliance from the beneficiaries and SPVs which would certainly put the Ministry on a strong footing.

### **Reply of the Government**

All Administrative Divisions have been requested to note the above observation/recommendation of the Hon'ble Standing Committee and to take corrective and coordinated measures for timely receipt of compliance from the beneficiaries and SPVs to avoid uneven and disjointed pattern of expenditure.

Ministry of Textiles has taken corrective steps during this year and achieved expenditure of 34.32% in the first quarter (April-June, 2016) as against the target of 33.19% of B.E.

**Ministry of Textile's O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

**(Recommendation No. 4)**

The Committee note that against the Ministry's proposed outlay of Rs.3829.53 crore during the year 2016-17, the Ministry of Finance have approved Rs.3,500 crore only. In the last minute Rs.150 crore more has been reduced in the 2016-17 BE, finally making the allocations at Rs.3,350 crore. The Financial Advisor, Ministry of Textiles has deposed that such cut is a unilateral move and holistic exercise done by the Department of Expenditure and the Ministry of Textiles have a little role to play in it. The Financial Advisor has further reasoned that a similar fate is seen in other Ministries also because the overall holistic priority of the Government takes precedence over everything else. The Committee are inclined to reject the argument adduced by the Financial Advisor that it is just a unilateral move on the part of the Ministry of Finance and that the Ministry of Textiles have no role to play. In fact, it is the trend of expenditure and utilisation of funds over the years by the Ministry of Textiles that might have been taken into consideration by the Finance Ministry while imposing a cut in the 2016-17 Budget proposals of the Textiles Ministry. Therefore, instead of drawing solace from similar fate being meted out to other Ministries too, the Ministry of Textiles, having tremendous potential for additional employment generation, should seriously endeavour in improving their own performance in the utilisation of Plan Outlays so as to stop recurrence of repeated reductions in their Budgetary proposals in future.

**Reply of the Government**

All Administrative Divisions have been requested to note the above observation/recommendation of the Hon'ble Standing Committee for strict compliance and have also been requested that they should seriously endeavour for improving the performance in the utilization of Plan Outlays so as to stop recurrence of repeated reductions in the Budgetary proposals in future.

During 2015-16, an amount of Rs.76.01 crore was re-appropriated from TUFs(Plan ) to subsidy to Jute Corporation of India towards Price Support as advised by M/o Textiles.

**Ministry of Textile's O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

**(Recommendation No. 5)**

The Committee note the statement of the Secretary, Ministry of Textiles that the Ministry's efforts have gained significant momentum and action has already been initiated to ensure 100 percent utilisation of Plan outlay during 2016-17. Her

assertion that with little efforts maximum employment could be generated if the Ministry get the right allocations also merits attention. The Committee believe that the statement of intent will be translated into concrete action and positive outcome during the 2016-17 fiscal. Keeping that in mind and also in view of the fact that original plannings may go haywire due to sudden and sizeable reductions in the budgetary allocations, the Committee recommend that the Textiles Secretary should take up the matter at the appropriate fora so that at least the original BE proposal of the Ministry is restored and the intended objectives/ projections for 2016-17 are achieved.

### **Reply of the Government**

Ministry of Textiles had taken up the matter for enhancement of the Plan Budget in 2016-17. A letter had issued in this regard at the Minister's level on 15th February, 2016. However the provision at the BE stage for M/o Textiles remain fixed at 3350.00 crore in 2016-17 which is lower than the budget provision fixed for the Ministry in 2015-16(BE) of Rs. 3523.32 crore. The Ministry also wrote subsequently to the M/o Finance vide letter dated 12.4.2016 for provision of additional funds to the tune of Rs 3119 crore for ATUFS in 2016-17 to meet the committed liabilities in line with the decision of the cabinet.

**Ministry of Textile's O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

### **(Recommendation No. 6)**

The Committee deprecate to note that during 2015-16, the Ministry have been unable to achieve the physical targets in a number of Schemes like National Handloom Development Programme, Handloom Weavers Comprehensive Welfare Scheme, Research & Development Programme, Ambedkar Hastshilp Vikas Yojna, Powerloom Group Insurance and Scheme etc. Non-receipt of adequate and viable proposals, receipt of less claims from the beneficiaries, non-completion of the Appraisal/ Approval processes, non-earmarking of funds for the SC Sub-Plan, severe winter condition in Leh/Ladakh etc. have been cited as the primary reasons for non-achievement of targets in the aforementioned Schemes. With a view to overcoming the impediments, the Ministry are reportedly focusing on effective implementation of the Plan Schemes through weekly review, periodical/ regular interaction with the stakeholders, empirical feedbacks from the States and field Units, changes in Guidelines etc. The Committee are of the considered opinion that while severe climatic conditions or difficult topography can be considered as genuine setbacks in the smooth implementation of the Schemes, reasons like non-receipt of adequate and viable proposals, non-completion of Appraisal/Approval process and non-provision of funds for SCSP can no way be condoned as they are a sad commentary on the Ministry's requisite advance planning. The Committee, therefore, call upon the Ministry to singularly focus on removing the chronic malaise that have been impeding the implementation of the Plan Schemes, besides continuing with the measures

already initiated, so that the import of the Plan Schemes in furthering the growth of the Textile Sector in general and its potential for additional employment generation and increased exports in particular, is duly taken care of.

### **Reply of the Government**

The following steps have been initiated to ensure optimal utilization of funds during 2016-17:

- (i) Implementation of the schemes/activities are being reviewed/ monitored every week by Secretary (Textiles) with Joint Secretaries and other senior officers in the finance divisions.
- (ii) Meeting of the Minister of Textiles with Textile Ministers of all the States is held periodically for explaining the objectives and funding pattern and impress upon to send the adequate and viable proposals expeditiously on various schemes.
- (iii) Secretary (Textiles) is chairing Regional meetings wherein the performance of various schemes of M/o Textiles are being reviewed with the State Government and fresh proposals are being elicited.
- (iv) Separately Secretary (Textiles) write to the Chief Secretaries/Principal Secretaries of the States periodically flagging issues which are holding back the implementation of schemes
- (v) Field level visits and appraisal by JSs and Senior Officers from the Regional and Attached Offices.

**Ministry of Textile's O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

### **(Recommendation No. 7)**

The Committee are dissatisfied to note that for some schemes no target has been fixed and for some other Schemes achievement has been stated to be 'not quantifiable', as is revealed from the documents furnished. The Ministry have explained that setting of year-wise targets is a continuous process and is based on financial provisions. The Committee are of the view that leaving the respective columns blank, without reasonings, or saying some achievements are not quantifiable reflect lack of due diligence on the part of the Ministry. The Committee would, therefore, like to caution the Ministry to guard against such inaccuracies so as to maintain the sanctity of the documents placed before Parliament and its organs.

### **Reply of the Government**

All Administrative Divisions have been requested to note the above observation/recommendation of the Hon'ble Standing Committee for strict compliance and ensure that while furnishing the information for inclusion in the Outcome Budget

the target fixed for the schemes and achievements are stated in clear and quantifiable terms and use of the words “not quantifiable” is avoided.

**Ministry of Textile’s O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

**(Recommendation No. 8)**

The Committee note that under the National Handloom Development Programme, cooperative societies, handloom agencies and individual weavers are given a marketing platform, through exhibition-cum-sale events, to sell their products in domestic and international markets. The Committee are, however, concerned to observe that against a target of 400 domestic events during 2015-16, 339 events could be organised though the nine targetted international events could be successfully organised. The reasons for shortfall in domestic events are attributed to poor past performance and inadequate results from some exhibitions. As the events are a solid platform for the weavers to directly showcase and market their products both inside and outside the Country, the Committee desire the Ministry to take requisite corrective measures so that the targetted 350 domestic and 22 international events during 2016-17 are achieved and the weavers benefitted.

**Reply of the Government**

Under Handloom Marketing Assistance-HMA (a component of National Handloom Development Programme - NHDP) proposals are received from the State Governments for organisation of marketing events (expos). For financial year 2015-16, a target of 400 expos was fixed. Against the target, 358 expos have been sanctioned. Proposals from some of the states were not received and some proposals were not viable, therefore the shortfall arisen.

However, as advised the Committee’s concern has been noted and all out efforts will be made to meet the targeted events.

**Ministry of Textile’s O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

**(Recommendation No. 9)**

The Committee are pleased to note that the India Handloom Brand (IHB) which was launched on the occasion of the first National Handloom Day on 7th August, 2015 aims at generating a special market space and increased earnings to the weavers and exclusively catering to the quality need of the socio-environmentally conscious consumers. The Committee would like the Ministry to have a special focus on the IHB scheme to endorse the quality of products in terms of raw material, processing, weaving etc. so that the exclusive needs of the consumers looking for niche in handmade products are catered to and the primary objective of benefitting the weavers is achieved.

**Reply of the Government**

The above observation/ recommendation of the Hon’ble Standing Committee has been noted for strict compliance.

**Ministry of Textile’s O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

### **(Recommendation No. 10)**

The Committee appreciate to note that the weavers MUDRA Scheme under the Pradhan Mantri MUDRA Yojna (PMMY), for extending loans upto Rs.5 Lakh to the Handloom Weavers and Weavers' Entrepreneurs with interest subsidy margin money and credit guarantee has been formulated in association with the Punjab National Bank and IDBI. So far, a total of 484 loans worth Rs.2.61 crore have been sanctioned under the Scheme. While encouraging the Ministry to extend the intended financial assistance to more weavers and their Entrepreneurs under the weavers MUDRA Scheme, the Committee would, however, desire the Ministry to remain vigilant and strengthen their coordination mechanism with the Banks so as to ensure that the much needed financial assistance with the concessional credit components are actually availed by the weavers.

### **Reply of the Government**

In Weavers MUDRA scheme, the facility for availing loan can be availed by Handloom Weavers & Weavers Entrepreneur for which Weavers' Identity cards have been issued by the Office of Development Commissioner for Handlooms or State Government or the cases recommended by Weavers Service Centre so as to ensure that the financial assistance is actually availed by the genuine weavers. In addition, banks are also carrying out necessary due diligence while considering the loan applications.

**Ministry of Textile's O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

### **(Recommendation No. 11)**

The Committee note that the Mahatma Gandhi Bunkar Bima Yojna (MGBBY) is under convergence with the Pradhan Mantri Jeevan Jyoti Bima Yojna (PMJJBY) and from 2016-17 onwards with lesser amount of premium contribution i.e. Rs.80 per annum by the weavers and Rs.250 by the Ministry, the weavers will be getting better life coverage, both in the case of natural death and accidental death, which will be upto Rs.2 lakh. The merged Scheme will be implemented by the Ministry of Finance (Department of Financial Services). The Committee apprehend that, as also corroborated by the Secretary, Ministry of Textiles, things would not automatically fall in line with convergence of the MGBBY with the PMJJBY unless there are proactive interventions and strict monitoring on the part of the Ministry of Textiles, in view of the abysmally low enrollment of weavers so far. The Committee, therefore, recommend that instead of leaving things at the mercy of Banks/ Financial Institutions, the Ministry should strictly that too at regular intervals monitor the progress, as assured by the Secretary, so that the purpose of convergence of the MGBBY with PMJJBY is truly achieved.

### **Reply of the Government**

The above observation/ recommendation of the Hon'ble Standing Committee has been noted for compliance and regular monitoring will be carried out for effective implementation of Scheme.

**Ministry of Textile's O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

#### **(Recommendation No. 12)**

The Committee are concerned to note that due to less awareness and lack of interest, the enrollment of weavers for life insurance schemes is very low. In this context, the Committee find that the data on the number of weavers in handloom as well as powerloom sectors and the artisans in the handicraft sector is almost ready and will soon be put up on the Ministry's web portal. The Committee urge the Ministry to compile the data and expeditiously put them on the web portal subsequent to which concerted efforts could be made to generate awareness and motivate the identified weavers and artisans to opt for the insurance schemes in their own interest.

### **Reply of the Government**

The above observation/ recommendation of the Hon'ble Standing Committee has been noted and the Efforts are being made to generate awareness and motivate the identified weavers to opt for the insurance schemes in their own interest.

**Ministry of Textile's O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

#### **(Recommendation No. 14)**

The Committee are pleased to note that a Trade Facilitation Centre and Crafts Museum at Varanasi is proposed to be set up at a cost of Rs.281 crore, to be completed by August, 2017 with a view to developing and promoting the rich tradition of handloom products at Varanasi. The Committee desire that the possibility of setting up of similar Centres and Museums at other places in the Country, where there is rich tradition of handloom and handicraft products, be explored so that weavers or artisans residing in other parts of the Country are also benefitted.

### **Reply of the Government**

The above observation/ recommendation of the Hon'ble Standing Committee has been noted for strict compliance.

**Ministry of Textile's O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

### **(Recommendation No. 15)**

The Committee note that the various Handicraft Schemes have been subsumed into one umbrella scheme namely the National Handicraft Development Programme to emphasize an integrated approach for development of handicrafts in a holistic manner. As regards monitoring mechanism put in place to ensure better and effective implementation of various Handicraft Schemes/ Programmes, the Committee appreciate to note that the Textiles Secretary has instructed the senior Officers in the Ministry to undertake at least two field visits in a month to take stock of the situation, besides herself reviewing the position on a weekly basis. The Committee too are of the view that unless and until field visits are carried out to gauge the problems/ constraints of the artisans, the Schemes intended for their benefit would not yield the desired result. The Committee, therefore, exhort the Ministry to carry on with their regular field visits besides strengthening other aspects of the monitoring mechanism.

### **Reply of the Government**

As per the instruction of Secretary (Textiles), the senior officers are now personally visiting various projects and location where the schemes are being implemented for constantly monitoring the implementation of programmes/project and are regularly furnishing reports of their visits which are reviewed at the highest level. The remedial steps are immediately taken for any shortcoming in the implementation of programmes.

In addition to above recently some middle level officers from the field offices have been made in-charge and have been assigned duties of the respective Mega Cluster projects.

The above mentioned steps taken by the Government will not only strengthen the monitoring mechanism but will also help in assessing the problems of artisans.

**Ministry of Textile's O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

### **(Recommendation No. 16)**

The Committee are pleased to note that the Ministry are focusing to put in place an integrated marketing plan through which Handloom, Handicraft, Technical Textiles, Jute and other products would be showcased and sold at one place. Besides planning to establish marketing intelligence to explore new markets, products countries etc., the Ministry are also laying emphasis on selling the handicraft products through e-commerce and e-platform. In view of the fact that proper marketing of handicraft/ handloom products has always remained a weak link, the Committee commend the innovative measures devised but at the same time urge the Ministry to ensure that the marketing plannings are drawn to their logical conclusion and the artisans/ weavers are immensely benefitted in the process.

### **Reply of the Government**

Recommendation of the Committee has been noted for compliance. The Ministry has developed a comprehensive and integrated Annual Marketing Plan 2016-17 in association with 11 sector Textile Export Promotion Councils to promote India textiles in the world. Since segments of Handlooms and Handicrafts represent our country's heritage and also are demanded overseas, the Marketing Plan has paid special attention to tap the opportunity in these sectors. Export Promotion Councils for Handicrafts (EPCH) is participating in all the major international fairs such as Heimtextil 2017, Domotex and Ambiente to promote the handicraft sector. Under Market Access Initiative (MAI) Scheme, 8 fairs of EPCH and Handloom Export Promotion Council (HEPC) have been approved and under Market Development Assistance (MDA Scheme 11 fairs of EPCH and HEPC have been approved.

**Ministry of Textile's O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

#### **(Recommendation No. 17)**

The Committee appreciate to note that the Ministry are embarking upon a number of measures under the 'Integrated Scheme for Development of Silk Industry' with the main objective to increase quality, production and productivity of silk in the Country through R&D intervention. Such measures include establishment of 172 bivoltine sericulture clusters in different States, development of 15 mulberry varieties and 25 silkworm breeds, introduction of high end automatic reeling machines etc. The Committee would like the Ministry to persist with the measures initiated for the development of silk textiles so as to reduce the dependency on importing silk besides meeting the cumulative target of nine million rural employment generation through sericulture and silk industry by the end of 2016-17.

### **Reply of the Government**

The following measures have been taken by Ministry through Central Silk Board for the development of import substitute Bivoltine silk in the country, so as to reduce the silk imports:

#### **Implementation of Cluster Promotion Programme for Bivoltine silk:**

During XII Plan, the foremost thrust is to augment production of import substitute silk in the country and to increase the production of Bivoltine silk to 5,260 MTs by end of 2016-17 from the production level of 1,985 MTs(2012-13). The Central Silk Board in association with State Sericulture Departments has organized 172 exclusive Bivoltine Clusters. With the joint concentrated efforts, 3870 MTs of Bivoltine raw silk has been produced against a target of 3500 MTs during 2014-15(110.58%) i.e. 1311 MT (51.23%) in excess against 2559 MT produced during the year 2013-14.

During the year 2015-16, 4,532 MTs of bivoltine raw silk production has been recorded against the total bivoltinerawsilk target of 4,500 MTs.

### **Bivoltine Sericulture Technology Development Project:**

Central Silk Board in coordination with JICA is implementing a Follow up-Cooperation Programme on JICA projects since 2012. The out come of the programme are:

- One way multiplication system as recommended by JICA for maintenance of silkworm seed is followed meticulously for quality maintenance.
- 10 end Automatic Reeling machine has been developed indigenously. The same is under replication to manufacture 40 ends
- Rotary Mountages with Nylon net collection system has reduced labour cost upto 50% and found very economical with quality Bv cocoon production. The same is under popularization under CSS.

### **Japan Overseas Co-operation Volunteers (JOCV) assisted by JICA**

To support in the field of extension methodology, JICA has dispatched 5 JOCVs for a period of 3 years from January, 2015 to 2017 to work in the identified Bivoltine clusters to support CSB in organizing Self Help Groups/CBOs involving sericulturists, for effective technology transfer in the identified areas for the improvement in Bivoltine silk production.

The CSB has been taking following measures to bring down the silk imports by enhancing the production of import substitute, superior quality bivoltine silk.

- Bivoltine hybrids like CSR2 x CSR4, CSR16 x CSR17, FC1xFC2 & FC3xFC4 have been developed and are being used for production of better quality BV silk in Southern region through out the year. Two new bivoltine hybrids viz., G11xG19 and B.con1xB.con4 with better yield and adaptation are under popularisation.
- Automatic reeling units are set up in the country for production of 3A-4A grade raw silk from bivoltine hybrid cocoons.
- State Sericulture Departments in certain states like Karnataka and Andhra Pradesh have been providing price incentives for BV cocoon growers.
- The State governments in major silk producing states have established institutions like Karnataka Silk Marketing Board (KSMB) in Karnataka, SERIFED in Andhra Pradesh and TANSILK in Tamil Nadu to ensure stabilization of raw silk prices through market interventions.

### **Vision for next 10 years:**

In order to meet the domestic demand and export requirements, it is targeted to increase the raw silk production to 55,000 MT (Bivoltine: 17,000 MT; Improved crossbreed: 12,800 MT; Crossbreed: 9000 MT, Tasar: 5400 MT; Eri: 10400 MT and Muga 400 MT) in 10 years' period i.e., at the end of 2026-27.

**Employment in Silk Sector:**

The silk Industry envisages to increase employment from 8.2 million persons to 9.2 million persons by end of XII Plan and to produce around 32,000 MT of raw silk by the end of the XII Plan, which would generate an additional employment of around 10 lakh man days in the process. Thus the employment generation would reach 9.20 million persons by the end of XII Plan ( i.e. by 2016-17).

**Ministry of Textile's O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

**(Recommendation No. 18)**

The Committee also appreciate to note that under the 'Development of Woolen Textiles Scheme', the Ministry are implementing Pashmina Promotion Programme in Ladakh region through financial assistance under different components, the primary being establishment of latest technology Pashmina Dehairing Plant at Leh. The Committee desire the Ministry to accord serious attention towards implementation of the Scheme within the prescribed timeframe so that the quality and quantity of Pashmina wool are improved and the living standard of the poor Nomads (wool growers) of Ladakh region is leveraged.

**Reply of the Government**

This Ministry is seized of the living and economic conditions of the Nomads of the Leh&Kargil Regions. For further improving quality and quantity of pashmina wool as well as living standard of poor Nomads (wool growers) of Ladakh region , MOT is providing financial assistance under different components like Creation of Common Pashmina Facilitation Centre for Wool testing, Disease Surveillance Centre, Geographic Information System (GIS) Lab, Shelter for Nomads, distribution of portable Electric Units for Handloom Spinning/Weaving, Solarized Community Centres, development of Fodder grounds for grazing of Pashmina goats, Distribution for Foundation Stock (male & female goats) to farmers and construction of Shelter for Housing of Pashmina animals. Five solarized community centres and 100 shelters for the benefit of the Pashmina Nomads have since been completed and dedicated by the Hon'ble Minister of State during his visit to Leh on 16-18th June, 2016. The facilities under the various components of the scheme are in nearly completion stage. Under Pashmina Promotion Programme, major provision has been made for establishment of latest technology i.e. Pashmina Dehairing Plant at Leh with other machineries for Scouring, Drying, and boiler along with construction of building for installation of these machineries at Leh. The tenders have been invited for setting up Pashmina Dehairing Plant at Leh and same is under process.

**Ministry of Textile's O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

### **(Recommendation No. 19)**

The Committee observe that in order to enhance the competitive strength of the decentralised Powerloom sector, the Ministry have launched an Integrated Scheme for Powerloom Sector Development (ISPSD) through technical service support, buyer-seller meet, exposure visits, awareness programmes etc. However, what concerns the Committee is the obsolete powerloom technology that the weavers are having, though around 60 per cent fabric comes from the powerloom sector. The Ministry are reportedly making efforts to upgrade the technology through provision of bank loans and other supports to the weavers. As obsolete technology is a dampner in producing quality fabrics, the Committee urge the Ministry to ensure provisions of upgraded and modernised equipments to the powerloom weavers so as to increase productivity and quality of the fabrics.

### **Reply of the Government**

To upgrade the technology in whole textile section including decentralized Powerloom Sector. Ministry of Textiles has been implementing the Scheme for in-situ upgradation of Plain Powerloom since September, 2013. The prime objective of the scheme is to provide financial assistance to economically weaker low-end powerloom units, for upgrading existing plain looms to semi-automatic/automatic looms, to improve quality and productivity of the fabric being produced by way of fixing certain additional attachments/kits and enable them to face the competition in domestic and international markets. The Benefits under the scheme was that the Govt. of India shall provide financial assistance to the extent of 50% of the cost of the upgradation attachments / kits, dobby and jacquard, subject to maximum subsidy of Rs.15,000/- per powerloom and the maximum subsidy to a powerloom unit holding eight powerlooms would be Rs.1,20,000/-. The subsidy will be extended for both credits linked or otherwise. So as to ensure further provisions of upgraded and modernized equipment to the powerloom weavers to increase productivity and quality of the fabrics, this office has further modified the in-situ upgradation of Plain Powerlooms w.e.f.1.4.2016 as under:

Modified Scheme of In-situ Up-gradation of Plain Powerloom for SSI Powerloom Sector is in operation from 01.04.2016 to 31.03.2017, or any extended period, thereafter. The existing plain loom to be upgraded with following attachment(s)/kit(s) as additional features:

- (a) In-situ Up-gradation of Plain Looms to semi-automatic looms:
  - (i) Weft stop motion (Optical Weft Feeler)
  - (ii) Warp stop motion (Electro mechanical warp stop motion for spun yarn or photocell type for filament yarn with loom stopping mechanism).
  - (iii) Semi-positive let off motion
  - (iv) Efficient braking device (electro-mechanical).
  - (v) Anti Crack device.
  - (vi) Replacement of metallic parts by self-lubricating nylon parts (like shedding roller, picking cams, picking bowl, crank bushes etc. having life more than 2 years)
  - (vii) Mechanical Dobby (cast iron).
  - (viii) Jacquard (cast iron).

(ix) Pirn winding machine

(b) In-situ Up-gradation of semi-automatic looms to Automatic Rapier looms:

(i) Rapier kit

The applicant will be eligible for:

- (a) For in-situ up-gradation the existing plain power looms to Semi automatic shuttle looms
- (b) For in-situ up-gradation of existing upgraded semi automatic shuttle looms to shuttleless rapier looms and
- (c) For in-situ up-gradation of existing plain power looms directly to shuttleless rapier looms

In each of these in-situ up-gradation, Government of India shall provide financial assistance to the extent of 50%, 75% and 90% of the cost of up-gradation to a maximum subsidy of Rs. 40,000/-, 60,000/- and 72,000/- per loom for General, SC and ST category applicants respectively, as shown below:-

Category	Percentage subsidy	Maximum subsidy Amount per loom (in Rupees)		
		Plain powerloom semiautomatic	Semi automatic loom Shuttless Rapier	Plain powerloom to Shuttless Rapier
General	50 %	15,000	25,000	40,000/-
SC	75 %	22,500	37,500	60,000/-
ST	90 %	27,000	45,000	72,000/-

As of now, 27 powerloom clusters viz. Nagari&Hindupur (AP), Bhagalpur & Gaya (Bihar), Surat, Ahmadabad &Dholka (Guj), Bengaluru &Belgavi (KA), Burhanpur (MP), Malegaon, Nagpur, Ichalkaranji, Bhiwandi, Solapur& Vita (MH), Ludhiana (PB), Kishangarh (Raj), Somanur, Erode & Salem (TN), Sircilla (TG), Mau, Tanda& Varanasi (UP), Ranaghat&Nabadwip (WB) are covered under the scheme.

In addition to GOI eligible subsidy, the following State Govts. are providing financial assistance under In-situ for upgradation of plain powerlooms:-

S.No.	State	Clusters covered	Subsidy (in Rs.)
	Maharashtra	Malegaon, Nagpur, Ichalkaranji, Bhiwandi, Solapur& Vita	Rs.10,000
	Telangana	Sircilla	Rs.10,000
	Bihar	Bagalpur	Rs.12,000

O/o The Textile Commissioner is organizing various seminars/Buyer Seller Meets /Exposure Visits in various parts of the country to create awareness about the Government of India Schemes , to create knowledge about higher technology prevalent in technologically developed powerloom clusters , and producing diversified textile products or value added fabrics and to sell their products in the market and hence it is expected to modernize the equipments of the Powerloom weavers and increase productivity and quality of the fabrics. So, far 65000 looms have been upgraded under the scheme and a subsidy of Rs. 80.36 crore has been released since the launch of the scheme.

**Ministry of Textile's O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

### **(Recommendation No. 21)**

The Committee are displeased to note that the R&D and Institutional Development Programme which was launched in 2014- 15 for a period of five years is still at the initial stage for want of adequate response from the Research Institutions. The Ministry's expectations that in the coming years the expenditure in that direction would increase substantially are not convincing in view of the slow progress of the Programme. The Committee, therefore, impress upon the Ministry to take recourse to urgent punitive measures to intensify the publicity campaigns for obtaining adequate proposals from the Research Institutions so that R&D and Institutional Development are carried out in the Textile sector, as envisaged.

### **Reply of the Government**

To promote Research & Development Scheme necessary efforts have been taken on behalf of Ministry. The Scheme has been revised and two new components have been added. The Textile Commissioner and Jute Commissioner have already invited proposals under the scheme. Review meetings have been taken with TRAs, prompt action been taken to hold the PAMC and PAC meeting to approve the project proposals. In order to achieve the objectives of the revised schemes, all Joint Secretaries have been requested to indentify the specific felt needs for R&D under their domain so that the same can be taken up with various research agencies including TRAs, IITs etc. under various schemes. Besides, Ministry of Textiles is also participating in the "IMPRINT" scheme of Ministry of Science and Technology and "UchhatarAvishkarYojana" of Ministry of Human Resource Development.

**Ministry of Textile's O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

### **(Recommendation No. 22)**

The Committee note that there has been approximately 70 percent growth in the export of jute and jute products besides noticeable growth in the export of diversified jute products. The Ministry are, therefore, focusing on new and diversified jute products for which three Centres to impart training and marketing skills have already been opened and two more Centres will be established soon. In view of the significant role played by the jute sector in the Textile Industry in terms of people earning their livelihood and as well as export earnings through this sector, the Committee desire the Ministry to continue to focus on production of new and diversified jute products and set up two more Centres as planned, at the earliest so as to increase the export potential of such products besides creating additional employment.

### **Reply of the Government**

The following steps has been taken :-

(1) National Jute Board [NJB] has been established under National Jute Board Act, 2008 [No. 12 of 2009] subsuming the two erstwhile organizations, viz. Jute Manufactures Development Council [JMDC] and National Centre for Jute

Diversification [NCJD] for the development of the cultivation, manufacture and marketing of jute and jute products and for matters connected therewith and incidental thereto.

(2) JDP sector is also main focus area for NJB on development, promotion and marketing of Jute Diversified Products (JDPs), as is evident from the following on-going Non-plan initiatives:

- (a) Incentive scheme for acquisition of plants & machinery (ISAPM) of NJB facilitates modernisation in existing and new jute mills and upgradation of technology in existing jute mills and provides assistance to a large number of entrepreneurs to manufacture value added biodegradable JDPs as well as for modernization and upgradation of technology. Incentive is provided @ 20% of the cost of machinery acquired by the Jute Mills and units in the decentralized sector. Over all ceiling for each unit is Rs. 2.50 crores in 4 years.
- (b) NJB runs an Export Market Development Assistance (EMDA) Scheme for JDPs. The scheme aims at facilitating registered manufacturer exporters of jute products to participate in international fairs and business delegation abroad for export promotion of lifestyle and other JDPs. The support is limited to Rs. 3.75 lakhs being 50% of maximum cost of such participation i.e space rent, decoration, air travel and boarding expenses [Rs. 7.50 lakh].
- (c) NJB runs a Retail Outlet scheme which supports supply chain and bulk supply of JDPs for selective and mass consumption. The scheme aims at providing assistance to jute entrepreneurs for opening of outlets of jute lifestyle jute products in Metro Cities, State capitals, District HQs and Tourist spots. The support is limited to 50% of initial decoration, monthly running expenditure for a period of three years.
- (d) In order to empower the rural women and promote JDPs, NJB planned to establish 5 Common Facility Centres (CFCs); 3 in West Bengal and 1 each in Assam and Bihar through Women Self-Help Groups (WSHGs). Estimated Government grant is to the tune of Rs.200.00 lakhs in 3 years for each of the proposed CFC. Setting up of office, godown, etc., assistance to produces will be provided online to their bank account. Training programme will be organised in each CFC and services of entrepreneur dealing with production, export will be availed for a market study, design development, training and marketing. Out of five, 4 CFCs have already been established with active involvement of women of WSHGs for production of quality diversified jute products.

(3) The 5<sup>th</sup> CFC is at final stage of implementation at Katihar in Bihar.

(4) Ministry has also approved the establishment of two more CFCs, one at Sunderbans in South 24-Paragans district and one at New Jalpaiguri in Jalpaiguri district of West Bengal.

(5) In order to accelerate the pace of JDP activities in the country, NJB has launched schemes viz. Jute Raw Material Bank (JRMB) and Jute Integrated Development Scheme (JIDS). The focus of these schemes are exclusively to cater to the jute unorganised sector and the production units so that jute raw material is supplied to them regularly at mill gate price plus actual transportation cost, to help them

manufacture high value products, both for domestic and international markets. JIDS focuses on setting up local units and agencies throughout the country to promote and propagate jute diversification across the country. The Jute Development Centres under JIDS will provide training & skill development efforts in their respective regions to develop new WSHGs, artisans & entrepreneurs.

(6) Further, a Jute Design Cell for development of Jute Shopping Bags and Lifestyle Accessories has also been set up at the Innovative Centre for Natural Fibres (ICNF) of NID (National Institute of Design), Ahmedabad. The prime objective of the Cell is to develop newer and innovative Products through design and technology intervention for value addition and better market at home and abroad. Industry houses engaged in manufacturing and export of diversified jute products would be benefitted from this project.

NID has already developed 89 woven, dyed, finished samples for jute lifestyle accessories and disseminated amongst manufacturers and exporters in the country. Further NID – NID have showcased low cost jute carry bags as an alternative against plastic bags in Chandigarh and Shimla; the proposal is being finalized.

(7) NID carries out activities as planned/projected in its Annual Action Plan 2016-17 approved by the Board. Further, a new scheme is being worked out to incentivize the producers of JDPs, as Production linked Incentive Scheme.

**Ministry of Textile's O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

**(Recommendation No. 24)**

The Committee note that the Technology Upgradation Fund Scheme (TUFS), which was introduced in 1999 to catalyse capital investments for technology upgradation and modernisation of the Textiles Industry, has gone through many incarnations viz. Modified TUFS (M-TUFS), Restructured TUFS (R-TUFS), Revised Restructured TUFS(RR-TUFS) and finally culminating in Amended TUFS (A-TUFS) w.e.f 13th January, 2016 and to be continued till 31st March, 2022. As the focus of A-TUFS is on value addition and employment generation in garmenting, technical textiles, weaving and processing segments, the Committee urge the Ministry to tie up the loose ends and accelerate their preparedness to effectively implement the A- TUFS so as to attract the projected investment of Rs. One Lakh crore and employment generation of about 30 lakh people.

**Reply of the Government**

For effective implementation of ATUFS, following measures have been taken:-

- (a) The detailed guidelines of the ATUFS have been issued on 29.02.2016.
- (b) List of eligible machinery has been issued on 01.04.2016 as approved by Technical Advisory-cum-Monitoring Committee (TAMC)
- (c) As per guidelines of ATUFS, the Textile Commissioner will constitute a Joint Inspection Team (JIT) comprising of officers of the Office of the Textile Commissioner, representatives of respective lending agency, Textiles Committee, Textile Research Association and industry association to verify the technology level of the machines

installed under the scheme and certify the eligibility and eligible subsidy amount as per the guidelines of the scheme.

(d) A web based claims monitoring and tracking mechanism, “i-ATUFS” has been started since 21<sup>st</sup> April, 2016 which provides a transparent MIS platform to all the stakeholders, the beneficiaries, banks, Office of Textile Commissioner and the Ministry of Textiles for smooth implementation of the scheme and eliminate scope for the irregularities.

(e) A proposal has already been initiated to reorganize the Office of Textile Commissioner for setting up office in each state. The state level official of the Textile Commissioner’s Office, in liaison with the State Government, shall guide and assist the entrepreneur for setting up of unit including implementation of the proposed scheme. The state level officer will also inspect the units seeking subsidy and certify the assets created. Based on this, the subsidy claims shall be processed under the scheme. Further, he shall upload report regularly on the i-ATUFS platform.

**Ministry of Textile’s O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

**(Recommendation No. 25)**

The Committee note that the Budget allocation approved by the CCEA for A-TUFS is Rs.17,822 crore which includes Rs.12,671 crore for committed liabilities and Rs.5,151 crore for new schemes under A-TUFS. The Secretary, Ministry of Textiles has pleaded that at least Rs.4,500 crore more should be allocated to the Ministry for A-TUFS during 2016-17 as the Ministry's proposed allocations for ATUFS has been substantially reduced by the Finance Ministry. The Committee are of the considered opinion that since A-TUFs has been launched with a view to supporting the 'Make-in-India' initiative of the Union Government, there is no plausible reason to reduce the requirement of the Ministry. The assurance of the Secretary that if they get the required amount, the Ministry would be able to generate large scale employment also merits attention. The Committee, therefore, desire that the fund requirements of the Ministry for effective implementation of A-TUFS be suitably catered to and the Textiles Secretary should accordingly take up the matter at the appropriate fora for getting the needful done to bring in the much needed vibrancy in the Textiles sector.

**Reply of the Government**

To meet the committed liabilities, this Ministry has sent a proposal to the Ministry of Finance for additional fund requirement of Rs. 3119 crore under ATUFS for the year 2016-17.

**Ministry of Textile’s O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

**(Recommendation No. 26)**

The Committee are perturbed to note that there have been persistent shortfalls in utilisation of Plan Outlays in the North Eastern Region during the last four years

reportedly due to delay in identification of key areas and lack of adequate block level data. To address the issue, the Ministry are proposing to set up a dedicated Project Management Unit (PMU) at Guwahati. While expressing their serious displeasure over the negligence in putting in place the basic requirements which are critical to the proper implementation of schemes meant for the North Eastern Region, the Committee urge the Ministry to embark upon urgent punitive measures to ensure effective fruition of the programmes envisaged for the North East Region and consequential utilisation of the Plan Outlay of Rs.255.98 crore earmarked for the year 2016-17. The Committee would also like the Ministry to pay specific attention towards promotion and development of Agro Textiles and Geo Textiles in the North-Eastern Region.

### **Reply of the Government**

With a view to effectively utilise the budget allocated under NE region, Ministry is implementing an umbrella scheme viz. North East Region Textile Promotion Scheme (NERTPS) for the development of various segments of textiles in North East Region. The scheme has an outlay of Rs. 1038.10 crore in 12<sup>th</sup> FYP. The Scheme was approved in November 2013. The financial year wise budget allocation and expenditure under NERTPS is given below:

FY	BE	RE	AE	% of expenditure
2013-14	115.00	115.00	2.86	2.48
2014-15	157.00	126.00	120.69	95.78
2015-16	157.00	225.50	225.46	<b>99.98</b>
2016-17*	220.98	-	99.94	<b>45</b>

\* As on 13.07.2016

2. It could be seen that considerable progress has been made over the period and about 100% utilization of fund has been accorded during 2015-16. In fact, during 2015-16, additional fund of Rs. 68.5 crore sought under Revise Expenditure as against the budget allocation of Rs. 157 crore. During the current financial year, more than 45% of BE has been utilized in the first quarter of current financial year.

The following steps have been taken by Ministry of Textiles for Promotion & development of Agrotextiles and Geotextiles in NER :

#### **I. Scheme for Promoting Usage of Agrotextiles in NER :**

The Ministry of Textiles, Government of India has approved the scheme for a period of five years i.e. 2012-13 to 2016-17. The aim of the scheme is to encourage utilization of Agrotextiles in improving the agriculture, horticulture, floricultural & sericulture produce of the N-E states through awareness programmes, development of Agrotextile products suitably customized for use in the North-Eastern region, creating

demonstration set-up depicting the benefit of usage of Agrotextile products suitable for the region, distribution of Agrotextile kits to farmers in the local communities etc.

Under the Scheme, a total of 44 Demonstration Centers have been approved and out of that 23 are operational and rest are at different stages of completion. Further 442 Agrotextile kits have been distributed to the farmers. The benefits which have accrued have been shared with Ministry of Agriculture.

**II. Scheme for Promoting Usage of Geotechnical textiles in NE:** The Ministry of Textiles, Government of India has approved the Scheme for promoting usage of Geotechnical textiles on 3<sup>rd</sup> December 2014 with a total outlay of Rs. 427 crore for a period of five years i.e. 2014-15 to 2018-19. The objective of the scheme is to promote and utilize Geo textiles in development of the infrastructure in the NE states by providing technological and financial support for meeting additional costs, if any, due to the usage of Geo textiles in existing/ new projects in road, hill/ slope protection & water reservoirs.

Under the Scheme, Geotechnical textile solution will be applied for 300 km Road construction, 118 km Slope/hill protection & for lining of 217 water reservoirs.

**Ministry of Textile's O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

**(Recommendation No. 27)**

The Committee are pleased to note that the National Textile Corporation's networth has turned positive and as on 30th June, 2015 it stood at Rs.1,219.80 crore. It is also heartening to note that after upgradation and modernisation, the NTC mills are performing quite well as is corroborated from the fact that during 2015-16, the production of yarn and fabrics was 560 lakh kg and 200 lakh meters respectively, showing an increase in the production vis-a-vis 2014-15 when the corresponding figure was 518 lakh kg of yarn and 171 lakh meters of fabrics. However, what concerns the Committee is the fact that the mills, including those in Mumbai are yet to become fully viable and self-sustainable, for which there has been a proposal to shift some mills in Mumbai to elsewhere. The Ministry are also undertaking a study and find out ways to make the mills viable and profitable. As the Company intends to transform itself into an integrated textile Company besides diversifying into technical textiles which have tremendous potential for improving the turnover and profitability of the Company, the Committee desire the Ministry to extend wholehearted support to the Company in its endeavour. The Committee further desire that whatever decisions are taken regarding the shifting of some mills, the overall interest of the Company and the welfare of its employees must be taken care of and adequately protected.

**Reply of the Government**

The following steps has been taken by NTC to make profitable are as under:-

- i) Modernization
- ii) Improvement in utilization%;

- iii) Improvement in Productivity;
- iv) Implementation of work load agreements;
- v) Purchasing power under access to reduce the power cost and improve utilization
- vi) Energy conservation by way of energy audit.
- vii) Manufacture of value added products;
- viii) Improvement in quality of the products being manufactured;
- ix) To reduce the cost of production by using resources optimally.
- x) A new marketing strategy including proposed diversification into technical Textile, processing and garmenting, Revamping of showrooms.
- xi) Order booking of Cloth & Yarn on e-platform in order to achieve more transparency.
- xii) Consolidation of lower capacity mills into a higher capacity mills wherever feasible.
- xiii) Recruiting staff on vacant lying positions.

NTC in assistance of NITRA has prepared NTC-Future Plan-2015, which will be implemented in 2 phases. To start with NTC Board has considered for implementation of 1<sup>st</sup> Phase of the said plan along with small interventions in four mills covered in the 2<sup>nd</sup> phase.

Despite giving substantial dose of modernization, the three Mumbai mills are incurring heavy losses due to higher input cost like power, wages, transportation, local govt. taxes and duties and stringent environment norms. As such, the running of mills in metropolitan city like Mumbai has become unviable. During the year 2015-16 the three Mumbai Mills incurred a cash loss of Rs. 45.22 crores. It was decided for setting up a new project of integrated composite unit at Amravati by relocation and consolidation of three Mumbai mills and Barshi mills, Barshi with an investment of Rs 1031 crores (including VRS provision for Rs 268.52 crores) with a projected net profit of Rs 61.49 crores after implementation. The welfare of the employees was adequately taken care of by having provision of VRS to be given to willing employees of these Mills

NTC prepared the alternate plan of setting up Amravati Project by considering all new machinery in place of shifted machinery from 3 Mumbai based mills and Barshi mills at an investment of Rs. 959.68 crores with a projected profit of Rs 63.17 crores and the same was put up to the Board in its meeting No. 362 dated 22.12.2015. Board has given "in principle approval to go ahead for setting up a project at Amravati and approved to appoint consultant for preparation of DPR after following standard applicable procedure." NTC is in process of finalization of tender for appointment of consultant for preparation of DPR. NTC already having 40 acres of land in MDC Amravati has also acquired additional 50 acres of Land from MIDC for the project.

**Ministry of Textile's O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

### **CHAPTER-III**

#### **OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLY**

**NIL**

## **CHAPTER-IV**

### **OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION**

#### **(Recommendation No. 13)**

The Committee note that the Textiles Ministry's Health Insurance Scheme was merged with the Labour Ministry's Rastriya Swasthya Bima Yojna (RSBY) which has subsequently been transferred to the Ministry of Health & Family Welfare w.e.f 1st April, 2015. A restructured RSBY which is being formulated by the Health Ministry will be implemented w.e.f 1st April, 2017. In this context, the Committee find that the Ministry of Textiles, after a series of discussions and deliberations, have written a letter on 23rd February, 2016 to the Health Ministry for coverage of Handloom Weavers in RSBY for the year 2016-17 in the existing pattern of the Scheme. As the restructured scheme will be implemented from 2017-18 onwards by the Health Ministry, the Committee desire that the Ministry of Textiles, in accordance with their communication to the Health Ministry, should earnestly pursue the matter to get the weavers covered under the existing pattern of the RSBY during 2016-17. The Committee would like to be apprised of the position as soon as the response of the Health Ministry is obtained by the Ministry of Textiles. As assured by the Secretary, Ministry of Textiles, the Committee desire the Ministry to tie up with the Labour Ministry and explore the feasibility of empanelling the ESI Hospitals for provision of healthcare facilities to the weavers and artisans covered under Health Insurance Schemes.

#### **Reply of the Government**

The Office of Development Commissioner for Handlooms is in constant touch with Ministry of Health & Family Welfare (MoH&FW) to enroll the weavers for the year 2016-17. In this connection a Workshop was held on 6th May, 2016 under the Chairmanship of DC (Handlooms) to discuss the implementation modalities of RSBY. In this workshop all the RSBY implementing State Directors of Handlooms, State Nodal Agency (SNA) and Officers from MoH&FW participated.

Currently the RastriyaSwasthyaBimaYojna (RSBY) is being implemented through State Nodal Agencies (SNA) of the RSBY implementing States. SNA are selecting Implementing Agency through tender process and this Ministry has informed Ministry of Health and Family Welfare of approval for the year 2016-17. Re-structured Health Insurance Scheme (HIS) will be implemented by MoH&FW w.e.f. 1st April, 2017. The issue of empanelling ESI Hospitals for provision of healthcare facilities is being referred to MoH&FW.

**Ministry of Textile's O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

### **(Recommendation No. 20)**

The Committee are concerned to note that under the Powerloom Mega Cluster Schemes, where subsidy is provided upto Rs.50 crore per cluster, setting up of five mega clusters at Bhiwandi, Bhilwara, Ichalkaranji, Erode and Surat has been adversely affected due to non-availability of land, resource constraints of the stake holders etc. While the projects at Bhilwara and Bhiwandi have been shifted to other places, projects at Erode and Surat are at the initial stages. The Committee are not satisfied with the state-of-affairs and impress upon the Ministry to take corrective measures and effectively coordinate with the State Governments and other stakeholder concerned so that the five mega clusters are established within a definite time line and the intended objective of benefitting the powerloom weavers is achieved.

### **Reply of the Government**

The Powerloom Mega Clusters at Erode and Bhiwandi were announced by the Hon'ble Finance Minister during the Budget Speech in the year 2008-09. The Powerloom Mega Clusters at Bhilwara, Ichalkaranji and Surat were also announced during the year 2009-10, 2012-13 and 2014-15 respectively. Initially the scheme was monitored by the Ministry of Textiles directly. At present, Ministry of Textiles has been monitoring the implementation of all the Powerloom Mega Clusters through O/o the Textile Commissioner and its regional offices since last one year.

In order to ensure an effective coordination amongst various stakeholders and the State Governments at cluster level, a Cluster Coordination Group (CCG) would be set up under the Chairmanship of the respective District Collector. This CCG would be responsible to examine the DCR/DPRs submitted by CMTA and will make its recommendations to Ministry. CCG will also be responsible for local coordination and regular review of implementation of the Scheme at cluster level. The member of CCG consists of, the Chairperson of Industry Associations related to cluster, representatives of concerned sector of State Govt. Deptt, representatives of related Central Govt. Organisations and representative of CMTA, Chairperson of SPV(s) as a representative and an officer nominated by the Textile Commissioner shall be the Convener of CCG.

For smooth implementation of these projects, Ministry of Textiles has been regularly following up with the State Government concerned whenever it is required, for taking necessary action and providing necessary cooperation for setting up of these projects. The office of the Textile Commissioner has been making concerted effort at expediting the projects despite constraints such as non-availability of land and low level of stakeholder interest. As a result, the projects at Ichalkaranji and Bhilwara are now making headway.

**Ministry of Textile's O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

### **(Recommendation No. 23)**

The Committee are given to understand that most of the jute mills are not operating throughout the year and to their full capacity. Further, workers in jute mills are not getting their statutory dues even after retirement which is a matter of serious concern to the Committee. In view of the huge number of people engaged in and earning their livelihood from the jute sector, the Committee are of the firm opinion that it is the moral obligation of the Ministry to protect the jute workers and their families from exploitation by unscrupulous elements besides ensuring their socioeconomic upliftment. The Committee, therefore, exhort the Ministry to take serious and urgent measures, in unison with the State Governments concerned, so as to ensure that the jute mills function to their full potential throughout the year and the workers get their rightful dues. The Committee also recommend that the Ministry must take stringent action against those individuals/ bodies/ agencies who violate the statutory provisions of various Acts governing the jute sector.

### **Reply of the Government**

The Ministry of Textiles has taken following action :-

1. As per the available record, total dues of jute mill workers of 47 jute mills on account of Provident Fund is Rs.12063.20 lakh. In all cases the jute mills have filed cases in different courts/judicial bodies including Lower Courts, Higher Courts, BIFR. The issues of non-payment of statutory dues of workers fall within the purview of Labour Department of the concerned State, Regional Provident Commissioner and Chief Labour Commissioner (Central).

2. The Ministry of Textiles has been supporting jute sector through Jute Packaging Material Act, 1987 which has made use of jute sacking mandatory for packaging of foodgrains. At present a minimum of 90% of foodgrains and a minimum of 20% of sugar are to be mandatorily packed in jute sacking. During 2015-16, the share of B.Twill production in total production of jute goods was more than 65% which is 8% higher than that of the previous year. Because of this assured market, the jute mills have stopped exploring private market and have become over dependent on Government order. They do not feel the need to modernise their units and keep on operating below their actual production capacity.

**Ministry of Textile's O.M. No. 2/9/2016-Parl., dated 12/08/2016.**

## **CHAPTER-V**

### **OBSERVATION/RECOMMENDATION IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT ARE INTERIM IN NATURE**

**NIL**

**New Delhi;  
14<sup>th</sup> December, 2016  
23<sup>rd</sup> Agrahayana, 1938 (Saka)**

**DR. KIRIT SOMAIYA  
CHAIRPERSON  
STANDING COMMITTEE ON LABOUR**

**STANDING COMMITTEE ON LABOUR**

**(2016-17)**

**Minutes of the Seventh Sitting of the Committee**

The Committee sat on Wednesday, the 14<sup>th</sup> December, 2016 from 1700 hrs. to 1900 hrs. in Committee Room No. '63', Parliament House, New Delhi.

**PRESENT**

**Dr. Kirit Somaiya    -    CHAIRPERSON**

**MEMBERS**

**LOK SABHA**

2. Shri Satish Chandra Dubey
3. Dr. Boora Narsaiah Goud
4. Dr. Arun Kumar
5. Shri Hariom Singh Rathore
6. Shri Naba Kumar Sarania
7. Shri Dayakar Pasunoori

**RAJYA SABHA**

8. Shri Ram Narayan Dudi
9. Shri Nazir Ahmed Laway
10. Haji Abdul Salam
11. Shri Amar Shankar Sable
12. Ms. Dola Sen
13. Shri Tapan Kumar Sen

**SECRETARIAT**

- |    |                        |   |                     |
|----|------------------------|---|---------------------|
| 1. | Shri N.C. Gupta        | - | Joint Secretary     |
| 2. | Shri D.R. Mohanty      | - | Additional Director |
| 3. | Smt. Archana Srivastva | - | Under Secretary     |

## **PART - I**

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee, convened for consideration and adoption of a Draft Action Taken Report. Giving an overview of the Recommendations made/reiterated in the Draft Action Taken Report, the Chairperson requested the Members to give their suggestions on them, if any.

3. The Committee, then, took up for consideration the Draft Action Taken Report on the Observations/Recommendations of the Committee contained in their Eighteenth Report (Sixteenth Lok Sabha) on Demands for Grants (2016-17) of the Ministry of Textiles and adopted the same after some discussions.

4. The Committee then authorized the Chairperson to present the Report to both the Houses.

## **PART-II**

XX            XX            XX            XX

**The Committee then adjourned.**

-----

XX Do not pertain to this Report.

## APPENDIX-II

(Vide Para No. 3 of the Introduction)

### **ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON RECOMMENDATIONS CONTAINED IN THE EIGHTEENTH REPORT OF THE STANDING COMMITTEE ON LABOUR (SIXTEENTH LOK SABHA)**

	<b>Total</b>	<b>Percentage</b>
I. Total number of Recommendations	27	
II. Observations/Recommendations which have been accepted by Government (Recommendation Para. Nos. 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 21, 22, 24, 25, 26 and 27)	24	88.89%
III. Observations/Recommendations which the Committee do not desire to pursue in view of Government's replies- <b>NIL</b>	00	00
IV. Observations/Recommendations in respect of which Government's replies have not been accepted by the Committee and which requires reiteration – (Recommendation Para. Nos. 13, 20 and 23)	03	11.11%
V. Observations/Recommendations in respect of which replies of Government are of interim in nature- <b>NIL</b>	00	00
		----- 100% -----