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**STANDING COMMITTEE ON LABOUR
(2020-21)
(SEVENTEENTH LOK SABHA)**

MINISTRY OF TEXTILES

**DEMANDS FOR GRANTS
(2021-22)**

EIGHTEENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2021/Phalguna, 1942 (Saka)

**EIGHTEENTH REPORT
STANDING COMMITTEE ON LABOUR
(2020-21)**

(SEVENTEENTH LOK SABHA)

MINISTRY OF TEXTILES

DEMANDS FOR GRANTS

(2021-22)

Presented to Lok Sabha on 16.03.2021

Laid in Rajya Sabha on 16.03.2021



LOK SABHA SECRETARIAT

NEW DELHI

March, 2021/Phalguna, 1942 (Saka)

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*Not appended with this cyclostyled copy.

COMPOSITION OF THE STANDING COMMITTEE ON LABOUR

(2020-21)

Shri Bhartruhari Mahtab - Chairperson

MEMBERS

LOK SABHA

2. Shri Subhash Chandra Baheria
3. Shri John Barla
4. Shri Pallab Lochan Das
5. Shri Pasunoori Dayakar
6. Shri Feroze Varun Gandhi
7. Shri Satish Kumar Gautam
8. Shri B.N. Bache Gowda
9. Dr. Umesh G. Jadhav
10. Shri Dharmendra Kumar Kashyap
11. Dr. Virendra Kumar
12. Adv. Dean Kuriakose
13. Shri Sanjay Sadashivrao Mandlik
14. Shri Khalilur Rahaman
15. Shri D. Ravikumar
16. Shri Nayab Singh Saini
17. Shri Naba Kumar Sarania
18. Shri Ganesh Singh
19. Shri Bholu Singh
20. Shri K. Subbarayan
- 21.@ *Vacant*

RAJYA SABHA

22. Shri Dushyant Gautam
23. Shri Neeraj Dangi
24. Shri Oscar Fernandes
25. Shri Elamaram Kareem
26. Dr. Raghunath Mohapatra
27. Dr. Banda Prakash
28. Ms. Dola Sen
29. Shri M. Shanmugam
30. Shri Vivek Thakur
- 31.* Shri Naresh Bansal

SECRETARIAT

- | | | |
|-------------------------------|---|-----------------------------|
| 1. Shri T.G. Chandrasekhar | - | Joint Secretary |
| 2. Shri D.R. Mohanty | - | Director |
| 3. Shri Devudu Babu Badireddi | - | Assistant Executive Officer |

* Nominated w.e.f. 23rd December, 2020.

@ Vacancy occurred vice Shri P.K. Kunhalikutty resigned w.e.f. 3rd February, 2021.

INTRODUCTION

I, the Chairperson, Standing Committee on Labour (2020-21) having been authorized by the Committee do present on their behalf this Eighteenth Report on 'Demands for Grants (2021-22)' of the Ministry of Textiles.

2. The Committee considered the Demands for Grants (2021-22) of the Ministry of Textiles which were laid on the Table of the House on 12th February 2021. After obtaining the Budget Documents, Explanatory Notes, etc., the Committee took evidence of the representatives of the Ministry of Textiles on 18th February, 2021. The Committee considered and adopted the Report at their sitting held on 15th March, 2021.

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

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

New Delhi;
15th March, 2021
24 Phalguna, 1942 (Saka)

BHARTRUHARI MAHTAB
CHAIRPERSON,
STANDING COMMITTEE ON LABOUR

REPORT

Part-I

INTRODUCTORY

The Indian textile industry is one of the largest in the world with a large unmatched raw material base and manufacturing strength across the value chain. It is the 2nd largest producer of MMF Fibre after China. India is the 6th largest exporter of Textiles & Apparel in the world. India's textiles and clothing industry is one of the mainstays of the national economy. The share of textile and apparel (T&A) including handicrafts in India's total exports stands at a significant 11.8% in 2019-20. India has a share of 5% of the global trade in textiles and apparel. The uniqueness of the industry lies in its strength both in the hand-woven sector as well as in the capital intensive mill sector. The mill sector is the second largest in the world. Traditional sectors like handloom, handicrafts and small scale power-loom units are the biggest source of employment for millions of people in rural and semi urban area. It provides direct employment of over 45 million people and source of livelihood for over 100 million people indirectly, including a large number of women and rural population. The sector has perfect alignment with Government's key initiatives of Make in India, Skill India, Women Empowerment and Rural Youth Employment. In keeping with the goal of making India's development inclusive and participative, the Government's central focus has been on increasing textile manufacturing by building the best-in-class manufacturing infrastructure, upgradation of technology, fostering innovation, enhancing skills and traditional strengths in the textile sector.

2. The vision of the Ministry is to achieve a pre-eminent global standing in manufacture and export of all types of textiles including technical textiles, jute, silk, cotton and wool and develop a vibrant handlooms and handicrafts sector for sustainable economic development and promoting and preserving the age old cultural heritage in these sectors.

3. The Mission of the Ministry is to promote planned and harmonious growth of textiles by making available adequate fibers to all sectors, modernise the industry through technological upgradation, develop capacity and skills of all textile workers, ensure proper working environment and easy access to health care facilities and insurance cover to weavers and artisans to achieve better quality of life, promote exports of textiles, clothing & handicrafts and increase India's share of world exports in these sectors.

4. The Ministry of Textiles is responsible for policy formulation, planning and development of the Textiles Industry. The Ministry carries out the implementation of various Schemes through their several attached and subordinate offices, Statutory and Autonomous bodies and the Central Public Sector Enterprises.

5. The Demands for Grants of the Ministry of Textiles for the year 2021-22 are given under Demand No.97. The detailed Demands for Grants of the Ministry were laid in the Parliament on 12th February 2021. The Budget Estimate of the Ministry showing Revenue and Capital expenditure for the year 2021-22 is as under:-

(Rs. in crore)

Expenditure Head	Budget Estimate
Revenue	3,591.61
Capital	40.03
Total	3,631.64

II. OVERALL FINANCIAL OUTLAYS AND PERFORMANCE

i. Proposals and Allocations for 2021-22

6. The Total Outlay Proposed (Revenue and Capital) by Ministry of Textiles for the year 2021-22 was Rs. 16883.00 crore. However, the Ministry of Finance has curtailed the proposed allocation to Rs. 3631.64 crore for BE 2021-22. Scheme wise proposals of the Ministry of Textiles and the approved outlays by the Ministry of Finance are as below:

(Rs. in crore)

Sl. No	SCHEME	Proposed Outlay	Outlay Allocated	Variations	Of which	
					Revenue	Capital
1	Sericulture	876.23	876.00	-0.23	876.00	0.00
2	Cotton	12988.00	136.00	-12852.00	136.00	0.00
3	Jute	159.01	151.50	-7.51	151.50	0.00
4	NER Textiles Promotion	177.82	75.00	-102.82	75.00	0.00
5	Handloom	481.82	481.82	0.00	461.82	20.00
6	Handicraft	364.42	371.00	6.58	351.00	20.00
7	NIFT	175.95	100.00	-75.95	100.00	0.00
8	SITP	76.73	80.00	3.27	80.00	0.00
9	Textiles Committee	80.00	45.00	-35.00	45.00	0.00
10	SAMARTH	150.00	100.00	-50.00	100.00	0.00
11	ATUFS	700.00	700.00	0.00	700.00	0.00
12	Powerloom	79.37	74.28	-5.09	74.28	0.00
13	Wool & Woolen	16.50	16.50	0.00	16.50	0.00
14	PSUs	266.00	85.00	-181.00	85.00	0.00
15	NTTM	100.00	100.00	85.00	100.00	0.00
16	Other Schemes	276.15	239.54	-36.61	239.51	0.03
	Total	16883.00	3631.64	-13251.36	3591.61	40.03

7. As would be seen from above, the total outlay proposed by the Ministry of Textiles for the year 2021-22 was Rs.16,883 crore whereas the Ministry of Finance approved Rs.3,631.64 crore only. The Committee desired to know the basis on which the Ministry of Finance curtailed the outlay proposed by the Ministry of Textiles from Rs. 16,883.00 crore to Rs. 3631.61 crore for the year 2021-22. In reply, the Ministry stated as under:-

“The Ministry had proposed funds of Rs.12988 crore for Cotton Corporation of India for the year 2021-22 but the approval of competent authority was still under process. A provision of Rs.136 crore has been made in BE 2021-22 for which approval of Cabinet is there. “

8. Asked to state the extent to which the reduced allocation would affect the implementation of the ongoing and proposed schemes and the planning of the Ministry propose to raise requisite funds in view of such drastic curtailment. In reply, the Ministry stated as under:

"Ministry would endeavor for efficient utilization of allocated funds, and prioritize the expenses in a manner so as to ensure minimum effect of the reduced allocations to the beneficiaries of the schemes."

ii. **Allocations and utiliations during last three years**

9. The details of fund allocation to and utilisation by the Ministry during the years 2018-19 to 2020-21 are as under:

(Rs. in crore)

Year	BE	RE	Actual expenditure
2018-19	7,147.73	6,943.26	6,695.49
2019-20	4,831.48	4,831.48	4,455.19
2020-21	3,514.79	3,300.00	2,150.89 (as on 15.02.2021)

10. On being asked to give the reasons for reduction of Budget for the last 3 years, the Ministry replied as under:

"The reasons for reductions of funds are as under :-

- (a) During 2018-19, major expenditure of Rs. 3651.52 crore was incurred under Remission of State Levies (RoSL) Scheme out of total expenditure of Rs. 6695.47 crore. This Scheme has been closed in 2019-20.
- (b) Also there was a provision of Rs. 2300.00 crore under ATUFS (Amended Technology Upgrdation Scheme) which has come down to Rs. 700.00 and 761.90 crore in 2019-20 and 2020-21 respectively.
- (c) There was provision of Rs. 2017.57 crore under Cotton Corporation during 2019-20 whereas only a token provision of Rs.1 Lakh is available in 2020-

21. As the approval of Competent Authority was not available at the time of finalization of Budget Estimates, only a token provision was kept.

The variation in budget is mainly due to above three Schemes."

11. Details of Scheme-wise expenditure for the year 2020-21 (as on 15.02.2021) are as under:

(Rs. in crore)

Sl. No.	SCHEMES	Actual Exp. 2019-20	Budget Estimate 2020-21	Revised Estimate 2020-21	Actual Exp. 2020-21 (15.02.21)	% age Exp w.r.t. RE	Budget Estimate 2021-22
1	Sericulture	787.61	810.00	650.00	635.32	97.74	876.00
2	Cotton	2017.57	0.01	865.00	200.00	23.12	136.00
3	Jute	104.42	136.53	71.53	54.25	75.84	153.01
4	NER TPS	115.79	125.00	40.40	16.41	40.62	75.00
5	Handloom	385.01	475.00	336.00	265.94	79.15	481.82
6	Handicraft	282.16	398.21	284.77	213.54	74.99	371.00
7	NIFT	57.16	110.00	80.00	52.00	65.00	100.00
8	SITP	41.01	80.00	60.00	33.89	56.48	80.00
9	TRAs	10.38	10.00	10.00	9.73	97.30	15.50
10	Research & Dev.	7.80	23.00	10.00	3.22	32.20	10.00
11	IPDS	10.17	50.00	40.00	23.55	58.88	75.00
12	Textiles Committee	82.65	80.00	39.00	34.55	88.59	45.00
13	SAMARTH	72.07	150.00	80.00	57.78	72.23	100.00
14	ATUFS	317.90	761.90	545.00	432.14	79.29	700.00
15	Powerloom	41.52	140.00	60.00	40.76	67.93	74.28
16	Wool & Woolen	16.50	20.00	10.00	9.33	93.30	16.50
17	PSUs	0.00	0.00	0.00	0.00	0.00	85.00
18	NTTM	0.00	0.01	15.00	0.27	1.80	100.00
19	Other Schemes	132.40	145.13	103.30	68.211	66.03	137.53
	Total	4455.19	3514.79	3300.00	2150.89	65.18	3631.64

12. As would be seen from the above comparative data, the Amount provided in the BE and RE 2020-21 were Rs. 3,514.79 crore and Rs. 3,300 crore respectively. As on 15th February, 2021, the Ministry have been able to utilise Rs. 2150.89 crore leaving an unutilized amount of Rs. 1,149.11 crore. In this context, the Committee desired to know whether the Ministry would be able to utilise the remaining amount of Rs.1,149.11 crore in the last one and a half month of the fiscal year 2020-21 and the areas in which savings anticipated by the end of 31st March, 2021. In reply, the Ministry of Textiles stated as under:

"The Ministry will make sincere efforts to utilize the funds provided under the Revised Estimates for the year 2020-21. The savings available under some schemes will be utilized under the scheme where the Ministry has sought funds

under 2nd Batch of the Supplementary Demands. Once the Supplementary is approved and conveyed to Ministry of Textiles, necessary action for re-appropriating the funds to other schemes will be done with the approval of Competent Authority."

13. Asked to state the measures taken/proposed to remove the impediments encountered during 2020-21 so as to maximize utilization of funds during 2021-22. In reply, the Ministry submitted as under:

"The Programme Divisions have been advised to prepare their expenditure plan to ensure optimize utilization of funds under various schemes of Ministry of Textiles."

14. Further asked to state whether the Ministry have been strictly adhering to the Budget Division (Ministry of Finance) guidelines in regard to ceiling limit of expenditure i.e. 25% in last quarter and 10% in the last of the fiscal year. In reply, the Ministry stated as under:

"Yes, the Ministry adhered to the guide lines issued by the Ministry of Finance on Cash Management from time to time. The expenditure in the last quarter and last month of Financial Year is incurred as per Ministry of Finance guidelines and approval of Competent Authority w.r.t. last batch of Supplementary."

15. The Committee then enquired about the reasons for non-receipt of viable proposals and utilisation certificates from the implementing agencies which resulted in under utilization of allocated funds and efforts made to address the issue. In reply, the Ministry stated as under:

"Non-receipt and late receipt of viable proposals from State Governments definitely puts a constraint on spending, resulting in underutilization of allocated funds. The State Handloom departments have been contacted telephonically, and apprised about the same during meetings as well as through circulars of the office from time to time. The subject was also highlighted to the states during the North-East Regional Conference and Western Regional Conference of Ministry of Textiles.

As example in case of Scheme for Integrated Textile Parks (SITP) and Integrated Processing Development Scheme (IPDS) are demand driven. Between 01.04.2017 to 31.12.2020, proposal to set up Textile Park under SITP has not been received from Special Purpose Vehicles (SPVs). However, three proposal under IPDS has been received recently, of which one has been given in-principle approval and remaining are under examination."

III. OVERALL ACHIEVEMENTS IN PHYSICAL TARGETS

16. It has been observed from the data furnished on Scheme-wise physical targets and achievements during 2020-21, that in a number of Schemes like HWCWS, NHDP, Yarn Supply Scheme, In-Situ Upgradation of Plain Powerloom, Direct Benefit to Artisans, SITP, TUFS, SAMARTH, etc. There have been shortfalls in the achievement of targets during 2020-21. Outbreak of Covid-19 Pandemic has been cited as the main reasons for such shortfalls.

17. The Committee asked the reasons for not fixing any physical target during 2021-22 for a number of Schemes viz. Comprehensive Handicrafts Clusters Development, Research & Development, Registration of Crafts under Geographical Indication Act, Census of Handicraft Artists etc. In reply, the Ministry submitted as under:

"Physical Targets could not be fixed during 2021-22 due to following reasons:-

- (i) New Mega Clusters/ Special Projects are announced in Union Budget and hence no specific target has been set with regard to the Comprehensive Handicrafts Clusters Development Scheme (CHCDS).
- (ii) The registration of crafts under GI Act is based on the identification of eligible handicrafts as per GI Act. Subsequently, proposals are submitted by the applicants/ proprietors to office of DC (Handicrafts) for financial assistance. The final registration of the Handicrafts as GI comes under the purview of Controller General of Patents, Designs and Trade Marks, Intellectual Property of India (GoI), Chennai. The Controller General of Patents, Designs and Trade Marks registered a product as a GI product as per the procedure laid down in the GI act. Accordingly no such target has been fixed in advance.
- (iii) The Census of artisans is a very important issue for better planning and policy formulation in handicrafts sector. The data related to number of artisans present in the country are through Economic Census. The result of the seventh Economic Census is expected to be released very soon. Accordingly, to avoid duplicity of efforts, fresh census has not been proposed. Further, as far as, the data on ancillary characteristics is concerned, the Office of Development Commissioner (Handicrafts) gets this data through various surveys/studies etc."

18. As regards the efforts made by the Ministry for optimal achievement of targets during 2021-22, the following details were furnished by the Ministry:

Sl.No	Name of the Scheme	Replies
(i)	Handloom Weavers' Comprehensive	The scheme is being implemented by the Office of the Development Commissioner for Handlooms, Ministry of

	Welfare Scheme(HWCWS)	<p>Textiles to provide life and accidental insurance coverage on death or disability under the following three components:</p> <ul style="list-style-type: none"> • Pradhan Mantri Jeevan Jyoti Bima Yojana (MJBBY) • Pradhan Mantri Suraksha Bima Yojana (PMSBY) • Converged Mahatma Gandhi Bunkar Bima Yojana (MGBBY) <p>LIC of India vide email dated 27.05.2020 conveyed the decision of Ministry of Finance (Department of Financial Services) vide OM dated 13.05.2020 that “beneficiaries of the converged PMJBBY and PMSBY are transitioned to full premium payment regime with effect from 1st April, 2020. Central Government Ministries and State Governments would have to enroll the intended beneficiaries of the schemes through their bank accounts. The claims settlement will be through the bank accounts of the intended claimants.</p> <p>The office of the Development Commissioner for Handlooms has written to State Governments/UTs for seeking their consent to bear the premium portion of Rs.100/- that was earlier borne by LIC in addition to weavers’ share of premium, if any. After receiving the consent from all States/UTs, a Standard Operating Procedure (SoP) will be worked out between the Ministries/States and the implementing insurer based on mutual agreement.</p>
(ii)	National Handloom Development Programme(NDHP)	<p>The outbreak of Covid-19 Pandemic and restrictions due to social distancing norms disrupted the entire supply chain of the Handloom sector. The Weavers on one hand were short on raw material for weaving activities, on the other hand were stuck up with finished inventory. As against target of about 200 marketing events to be conducted by O/o DC (Handlooms), and participation in about 100 marketing events of DC (Handicrafts), just 53 are being organized under Handloom Marketing Assistance component of National Handloom Development Programme (NHDP), putting a restriction on Government expenditure.</p> <p>For Block Level Cluster (BLC) component of the scheme, no proposals could be taken up in the first half of the financial year. Also, since the total implementation period of BLC is three years, any project in the second half of the financial year would have resulted in spillover of these to the next scheme period of 2021-22 onwards. Therefore, it was proposed to take up BLCs from the new scheme period itself.</p> <p>In order to come out of the COVID 19 pandemic situation and to mitigate its effects on handloom weavers, the following initiatives have been taken.</p>

		<ul style="list-style-type: none"> • Handloom Export Promotion Council (HEPC) took initiative to virtually connect Handloom weavers and exporters from different parts of the country with the international market. 07 International Fairs were organised in virtual mode • HEPC also participated in the Bharat Parv Festival organised by Ministry of Tourism. Besides, 53 domestic marketing events have are to be organised in different parts of the country. • Social media campaigns #Vocal4handmade was launched on the 6th National Handloom Day and 9th November, 2020 by the Government, in partnership with all stakeholders to ensure people's support for the weaving community. • 534 numbers of Chaupals were organized in various States to educate the weavers to avail benefits of various handloom schemes. • To ensure higher returns on Weavers' through pooling of resources, 117 Handloom Producer companies have been formed in different States. • To promote e-marketing of handloom products, 23 e-commerce entities have been associated for on-line marketing of handloom products. • Design Resource Centres (DRCs) have been set up in Weavers Service Centres (WSCs) Delhi, Mumbai, Varanasi, Ahmedabad, Jaipur, Bhubaneswar and Guwahati through NIFT with the objective to build and create design-oriented excellence in the Handloom Sector and to facilitate weavers, exporters, manufacturers and designers for creating new designs and take benefit of erstwhile created designs. • About 1.5 Lakh weavers have been on-boarded on the on Government e-Market place (GeM) to enable them sell their products directly to various Government Departments.
(iii)	Yarn Supply Scheme	<p>Covid-19 Pandemic is the major reason for not achieving the targets under YSS during 2020-21. The outbreak of Pandemic, the consequent lockdown and social distancing norms disrupted the entire supply chain.</p> <p>There was a demand slowdown leading to unsold inventory with the weavers, which suffered lower take off due to social distancing restrictions and not holding of conventional marketing events such as exhibitions, melas, etc.</p> <p>During the lockdown, the yarn available with the weavers was fully exhausted, causing handloom workers to remain without work. They were unable to carry out pre-loom activities such as dyeing, warping, sizing etc. too.</p>

	<p>After the lockdown period, it is taking some time for easy availability of raw material.</p> <p>The measures taken to ensure the supply of the yarn to Handloom weavers immediately after the lockdown are as follows:</p> <ol style="list-style-type: none"> i. Immediate delivery of small quantity orders from available stock of yarn in NHDC's warehouses to Individual weavers of the area. ii. Procure and keep ready stock of fast-moving yarn at NHDC's ware houses. iii. Pending purchase orders with the mills were pursued for immediate dispatches to the weavers. iv. All the Regional Offices of NHDC are in touch with supplier mills, and arrangements were made for timely dispatches, once transportation resumed. <p>Further, during the 2020-21 fiscal the scheme will focus on the following for implementation of scheme from April 2021 to 2026:</p> <p>Prioritization of focus areas for developing Ecosystem: Under the scheme, priority would be given to the handloom weavers in the following areas/clusters:</p> <ol style="list-style-type: none"> i. Areas having individual Weavers who are outside the fold of any formal organization. ii. Handloom clusters having export potential / market potential. iii. Handloom Pockets requiring revival of languishing crafts. iv. Areas untouched by commercialization such as North East. <p>The focus on individual weavers' benefit will be ensured through following measures.</p> <ol style="list-style-type: none"> i. For smaller quantities, instant delivery without requirement of indent. ii. Across the counter ready yarn availability at warehouses & yarn Depots. iii. Regular awareness camps by NHDC, WSC to enroll more number of individual weavers. iv. Price subsidy through DBT mode to Aadhar linked bank account.
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(iv)	In-situ upgradation of plain Powerloom	<p>There was no physical target for In-situ Upgradation of plain powerlooms as PowerTex India Scheme, under which it was one of the sub-component of the scheme. The total outlay for this component was approved as Rs. 192.29 crore out of which an expenditure of Rs. 111.55 crore was made till 31st march 2020 i.e. ending date of PowerTex India Scheme. The PowerTex India Scheme is allowed to continue during the year 2020-21 for considering the pending claims against liabilities created for few sub-components of the scheme i.e. Insitu Upgradation of plain powerlooms, Group Workshed Scheme, Common Facility Centers, PM credit scheme for Powerloom weavers (Stand-up India), Grants in Aid to Non TXC PSCs and Administrative Expenditures of TxC-PSCs. An amount of Rs. 11.64 crore was authorized during the year 2020-21 for Insitu Upgradation of plain powerlooms under PowerTex India Scheme. Out of that by end of 12th Feb 2021, an expenditure of Rs. 5.11 cr. against sanctioned amount of Rs. 6.71 crore (57.64%) is booked. Here, it is to mention that as decided by the Committee headed by the then Special Secretary in its meeting held on 3rd March, 2020 , the pending claims of other than Bhiwandi -Maharashtra Region have to be considered for payment of eligible subsidy after Re-JIT. It is known facts that since ending week of March 2020, there was lockdown due to COVID-19 and field officers of Office of the Textile Commissioner, Mumbai were deputed till end of July 2020 for promoting and monitoring the manufacturing of PPE kits and Mask in the country. The progress made 86% since August, 2020. Re-JIT/ Re-verification of pending claims other than Maharashtra state has been completed however payment of subsidy affected as while releasing the payment, credential of powerloom weavers are required to be verified through Aadhar validation. It is known facts that poor people including powerloom weavers frequently change their mobile numbers hence this process take more time.</p> <p>Efforts are being made so as entire allocated amount of Rs. 11.64 crore may be utilized well before 15th March 2021. Thus, financial target for Insitu Upgradation of plain powerlooms under PowerTex India Scheme will be achieved.</p>
(v)	Direct Benefit to Artisans	<p>During fiscal 2020-21, due to the COVID Pandemic and restrictions imposed thereon mobility of the artisans was seriously affected and many of the programmes such as issuance of Pahchan ID cards, coverage of artisans under insurances and pension schemes etc. could not be undertaken for many months during lockdown period.</p> <p>a. Office of Development Commissioner (Handicrafts) has proposed some major/ minor modification, additions of some new components in the NHDP scheme which will effectively reduce the</p>

		<p>impediments faced during implementation of programmes/ projects during the previous fiscal years.</p> <ol style="list-style-type: none"> b. Efforts are being made to maximize use of information technology in the process to enhance the performance of the schemes during 2021-22. c. Efforts also being made to organize maximum number camps /chaupals to extend the benefits of the schemes and cover maximum number of artisans under Pahchan Initiative, DBT schemes etc. d. A large number of training and skill upgradation programmes are also being planned for providing maximum benefit to artisans. e. Efforts are also being made to identify and develop export oriented clusters and also identification and formation of producer companies in the sector. f. Connect artisans on e-Marketing Platforms and other e-Commerce. g. To implement infrastructure project throughout the country in order to provide direct access / reach of artisans and build robust and resilient infrastructure for handicraft Sector.
(vi) & (vii)	<p>Capacity Building and Training under CSB (Silk) Scheme.</p> <p>&</p> <p>New Research projects to be initiated under Silkworm seed production</p>	<p>Under Capacity building as against the target of 13225, 5944 persons have been trained upto December, 2021. Due to pandemic covid-19, the training programmes could not be undertaken as per schedule. Moreover as per DoPT guidelines, the training programme started from September, 2020 onwards. A shortfall of about 10% is anticipated in achievement.</p> <p>The major activities proposed to be taken up during 2021-22 are: (i) to carry out 35 new and conclude 34 Research and Development (R & D) Projects besides continuation of 99 on-going projects & programmes in 9 Main Research Institutes in Mulberry, Tasar, Muga & Eri and PCT, (ii) to produce 484.00 lakh disease free layings (basic and commercial seed), (iii) to sell 27.0 lakh silk mark labels, (iv) to cover 260 authorized users and (iv) organize 550 number of programmes /exhibitions /road shows besides (v) establishing 4 cocoon testing and 2 raw silk testing centre.</p> <p>Under Silk Samagra scheme, it is proposed to undertake following activities;</p> <ol style="list-style-type: none"> i. Providing flexibility in technology intervention support to small farmers ii. R&D in Vanya silk sector, with focus on Muga silks iii. Taking Eri silk production in other than N-E states iv. Seri-by products utilization and non-textiles applications v. Support to Sericulture Farmer Producer

		<p>Organizations comprising small farmers for employment growth and increasing income level.</p> <p>vi. Focus on North East for integrated production approach in project mode for skilling, employment and growth through market linkages.</p> <p>vii. Use of IT application for technology</p>
(viii)	Number of employment generation under TUFSS	<p>ATUFSS is a demand driven scheme wherein the textile units submit application in the online iTUFSS platform after availing of loan from the notified lending agency. Upon registration of applications in the system, a UID is issued. Subsequently, the Unit installs the machinery as per the benchmarked technology specifications and request for visit/inspection by the Joint Inspection Team (JIT). Based on the report of JIT and its scrutiny, eligible subsidy is released to the Unit. However, the COVID 19 pandemic severely hampered the entire processes under the scheme such as submission of application, machinery installation of the units and conduct of JIT affecting the output targets of the scheme including expected generation of employment.</p> <p>With a view to alleviate the difficulties of beneficiaries under ATUFSS during the COVID pandemic, an option was provided to the units get the JIT recommended subsidy released before verification of the JIT reports by submitting bank guarantee against the value of recommended subsidy. Also, timeline for registration of claim application and request for physical inspection of machinery falling during the period March- September, 2020 were extended as per the request of the industry.</p>
(ix)	Scheme for Integrated Textile Park (SITP)	<p>SITP is an industry driven scheme and is being implemented with a view to provide financial assistance to a group of entrepreneurs to establish state of art infrastructure facilities in a cluster for setting up their textile units, conforming to international environment and social standards and thereby mobilize private investment in the textile sector and generate fresh employment opportunities. Hence, the scheme is being implemented from 01.04.2017 to 31.03.2020 and further extended up to 31.03.2021.</p> <p>No new eligible proposal has been received during this period. Further a country-wide lockdown was called in March, 2020 for safety measures for COVID-19. Due to pandemic-induced restrictions and financial crunch of SPV/Promoters, ongoing projects were slowed down and could not be able to make physical and financial progress for the meeting the eligible criteria for release of GoI share. Hence the shortfall. But things are looking up now and will improve in 2021-22.</p>

		<p>The progress of textile parks is regularly monitored by the O/o Textile Commissioner and Project Management Consultant (PMC) appointed by the Ministry. Office of the Textile Commissioner has been mandated to visit the park and furnish physical and financial progress report. In addition, PMC has also been mandated to furnish Monthly Progress Report of the projects. Based on the report received from O/o Textile Commissioner and PMC, Project Approval Committee reviews every aspect of the project and issues necessary instruction/direction.</p>
(x)	<p>Integrated Scheme for Skill Development (SAMARTH).</p>	<p>The COVID-19 pandemic has significantly affected the scheme implementation. The implementing partners took significant time in resuming/ commencing the training programme during post lock down period due to the time taken for normalizing the operations in the industry and also owing to various reasons including loss of business, contraction of orders, reverse migration of workers etc. Upon relaxing the restrictions for skill development by the Government, since September, 2020, training of 3.3 lakh target allocated after physical verification of training Centres is progressing at various stages. Now, with the improvement of the pandemic situation and operations getting resumed by the industry, the skilling programme under the scheme is slowly progressing and is expected to pick up the momentum during 2021-22.</p> <p>State Governments have been allocated in-principle training target of 3.6 lakh beneficiaries for conducting training programme in traditional and organized sectors. Sectoral Organizations of Ministry (DC-Handlooms, DC-Handicrafts, CSB & National Jute Board) have been allocated a training target of 43,000 beneficiaries for skilling/up-skilling in traditional sectors. A total of 76 industries/ industry associations have been empanelled through RFP process and allocated a training target of 1.36 lakh beneficiaries for entry level skilling. A total of 44 industry/industry associations have been empanelled and allocated a training target of 30,326 beneficiaries. A training target of 34,572 has been allocated through a separate RFP process for Industry Associations working with MSME textile industry. Another process of empanelling of industry / industry associations to allocate training target under technical textile segment courses is also progressing. Further, broad-basing of panel of implementing partners and allocation of training target are also progressing.</p> <p>It has been proposed to extend SAMARTH Scheme for 2 years beyond 31.03.2021 to make up time taken for streamlining the process during the initial years of implementation and also the time lost during the Covid-19 pandemic.</p>

IV. SCHEME-WISE ANALYSIS

i. Handloom Sector

19. The details of Budget allocation and utilisation under Handloom Sector for the year 2020-21 and Budget allocated for the year 2021-22 are as under:

(Rs. in crore)

BE (2020-21)	RE (2020-21)	AE (2020-21)	% age w.r.t. RE	BE (2021-22)
475.00	336.00	265.94	79.15%	481.82

National Handloom Development Programme (NHDP)

20. The details of Budget allocation and utilisation under NHDP during the last three years are as follows:

(Rs. in crore)

Year	2018-19			2019-20			2020-21			2021-22
	B.E	R.E	A.E	B.E	R.E	A.E	B.E	R.E	A.E	BE
NHDP	137.37	138.53	118.71	135	139.50	141.87	205	165	146.98	220

21. The Committee desired to know whether the BE of Rs. 220 crore for the fiscal 2021-22 would be sufficient for efficient implementation of the National Handloom Development Programme (NHDP) scheme. The Ministry replied in affirmative.

22. The Actual Expenditure figure for NHDP Scheme for the year 2020-21 stood at Rs. 133.66 crore. The Committee enquired whether the Ministry would be able to utilize the enhanced BE of Rs. 220 crore within the year 2021-22 and specific measures being taken in that direction. In reply, the Ministry stated as under:

"Yes, this office will be able to utilize enhanced funds. The outbreak of Covid-19 Pandemic and restrictions due to social distancing norms disrupted the entire supply chain of the Handloom sector. The Weavers on one hand were short on raw material for weaving activities, on the other hand were stuck up with finished inventory. As against target of about 200 marketing events to be conducted by O/o DC (Handlooms), and participation in about 100 marketing events of DC (Handicrafts), just 53 are being organized under Handloom Marketing Assistance component of National Handloom Development Programme (NHDP), putting a restriction on Government expenditure.

The proposed extra budget will help in improving the business of weavers and help revive the sector. The department is also proposing to undertake special/major projects in the Handloom Sector, besides contacting and expediting the state Govts. for sending viable proposals, as well as utilization certificates of earlier released amounts in a time bound manner."

23. The details of achievements under NHDP during 2019-20 and 2020-21 are as under:

Year	New BLCs sanctioned (Amount Released)	HSS items distributed	Skill upgradation	MUDRA Loan Sanctioned (Disbursement)
2019-20	26 BLCs (Rs 22 Crore)	18805	4114	22353 Weavers (Rs 120 Crore)
2020-21 (Till 31.01.2021)	2 BLCs (Rs 15 Crore)	7028	749	7037 Weavers (Rs 40 Crore)

24. The Committee then desired to know apart from the Covid-19 Pandemic which was the main reason for not achieving the targets under NHDP during 2020-21 other hindrances that were faced by the Ministry in achieving the physical target set for the year. In reply, the Ministry stated as under:

"Yes, Covid-19 Pandemic is the major reason for not achieving the targets under NHDP during 2020-21. Lockdown has affected the businesses all over the world and handloom sector is no exception. It was not feasible to hold conventional marketing events such as exhibitions, melas, etc. due to Social Distancing norms and travel restrictions. The supply chain disruptions and lack of proposals from the State Governments led to poor utilization of funds.

For Block Level Cluster (BLC) component of the scheme, no proposals could be taken up in the first half of the financial year. Also, since the total implementation period of BLC is three years, any project in the second half of the financial year would have resulted in spillover of these to the next scheme period of 2021-22 onwards. Therefore, it was proposed to take up BLCs from the new scheme period itself."

25. In response to a specific query regarding focus on branding and creating a budget about handloom and handicraft products, the Ministry apprised as under:

- "The Ministry of Textiles normally has an annual target of about 200 domestic marketing events for facilitating sales of handloom products. The targets for the current year were to facilitate and support about 200 Marketing events for handlooms, and to participate in about 100 marketing events of Handicrafts, though only 53 could be organised due to the prevailing conditions and

- instructions due to COVID-19 pandemic. These events are organised by handloom agencies of both Central as well as State Govts. Besides, it provides assistance for participation in various Craft Melas i.e. Suraj Kund, Taj Mahotsav, Shilpgram, Shilparaman and Toshali etc. Dilli Haat is an ongoing endeavour where weavers from across the country participate.
- Handloom Export Promotion Council (HEPC) participates in International Events where exporters of handloom products showcase and market their products.
 - Social media campaigns #Vocal4handmade was launched on the 6th National Handloom Day and 9th November, 2020 by the Government, in partnership with all stakeholders to ensure people's support for the weaving community.
 - Handloom Export Promotion Council (HEPC) took initiative to virtually connect Handloom weavers and exporters from different parts of the country with the international market. 07 International Fairs were organised in virtual mode
 - HEPC also participated in the Bharat Parv Festival organised by Ministry of Tourism. Besides, 53 domestic marketing events have also been sanctioned to be organised in different parts of the country."

26. As regards identification of Trainees for skill upgradation programme under NHDP, the Ministry submitted as follows:

"Baseline Survey is conducted under NHDP and profile of the Handloom cluster/pocket is prepared. Thereafter diagnostic study is carried out to conduct need-based training programmes for upgrading skills of handloom workers in technical areas such as development of new designs, use of new gadgets, dyeing of yarn with improved fastness, use of eco-friendly dyes etc. A Local committee consisting the officers from State Government, Implementing Agencies of concerned BLCs, National Handloom Development Corporation and Weavers' Service Centres for short listing trainees."

27. Asked to state categorically the mechanism put in place to ensure social security for the poor handloom weavers, the Ministry apprised as under:

"The Handlooms (Reservation of Articles for Production) Act, 1985 was enacted to protect livelihood of handloom weavers and rich cultural heritage of handloom industry from encroachment of the Powerloom and Mill Sectors.

There are 11 textile Articles reserved for exclusive production by handlooms:

- (a) Saree – with some technical specifications.
- (b) Dhoti – with some technical specifications.
- (c) Dress Material
- (d) Shawl, Loi Muffler, Pankhi etc.

- (e) Woollen Tweed
- (f) Towel & Gamcha, Angavastram
- (g) Lungi
- (h) Khes, Bedsheet, Bedcover, Counterpane, Furnishing
- (i) Jamakkalam Durry or Durret
- (j) Barrack Blankets, Kambal or Kamblies
- (k) Chaddar, Mekhala/Phanek

Powerloom Inspections are done by the Central/State officers. The enforcement machinery consists of Headquarters at New Delhi with Regional Offices at Chennai and Ahmedabad as well as Weavers' Service Centres at Govt. of India level. At the State level State Directorates carry out the inspections. During the period from 2015-16 to 2020-21 (till January 2021), more than 19 lakhs powerloom inspections were carried out, resulting in 447 FIRs and 380 convictions. "

28. As regards the year-wise position of MUDRA Loans to handloom weavers is given below:

"The year-wise position of MUDRA Loans to handloom weavers is given below:

Year	Number of loans sanctioned	Loan amount disbursed (Rs. in crore)
2018-19	35952	182
2019-20	22353	120
2020-21	4278	24

The COVID-19 pandemic has resulted in lower offtake of the MUDRA Loan during the current year. However, setting a target for banks will definitely help improve the disbursements under MUDRA Loan scheme."

29. As regards release of installments to 11 Block Level Clusters (BLCs) in Telangana, the Ministry apprised as under:

"Block Level Clusters are sanctioned under National Handloom Development Programme (NHDP) based on the viable proposals received from the State Government. 11 proposals of new BLCs have been received from State Government of Telangana, which were examined and some shortcomings were found such as Baseline survey, minutes of the SLPC, IA having loss in last two years, etc. Shortcomings were communicated to State Government of Telangana. Reply is awaited from State Government.

No proposals could be taken up in the first half of the financial year due to COVID-19. Also, since the total implementation period of BLC is three years, any project in the second half of the financial year would have resulted in spill over of these to the next scheme period of 2021-22 onwards. Therefore, it was proposed

to take up BLCs from the new scheme period itself. 09 (nine) Block Level Clusters have been sanctioned to the state of Telangana with total cost of 11.43 Crores (GOI share 11.27 Crore). Rs 3.1 Crores have been released as first instalment.

As far as 2nd instalments are concerned, the same are released on receipt of utilization certificate of at least 70% and other requisite documents. Proposals for release of 2nd instalment. of 08 BLCs were received from State Government of Telangana, which were examined and shortcomings therein were communicated to State Government of Telangana, which needs to be clarified by the State Government for further processing of the proposals. The same are being expedited."

30. Asked to furnish the details of Census of the Handloom weavers, the Ministry deposed as under:

"Census is an important activity from the view point of resource planning, resource allocation and its actual dissemination to the masses. So far, 4 Handloom census have been conducted by Ministry of Textiles, Govt. of India, during the years 1987-88, 1995-96, 2009-10 and 2019-20. First three Census were conducted by National Council of Applied Economic Research (NCAER), while the 4th Census was conducted by M/s Karvy Data Management Services Limited (KDMSL), Hyderabad.

Field level validation of enumerated data was carried out by the concerned State Governments to ensure that no non-weaver/non-Handloom Worker has been wrongly included in the data and that no genuine handloom weaver or allied worker has been left out.

Finally, Fourth Handloom Census Report was released on the occasion of 5th National Handloom Day on 7th August 2019 at Bhubaneswar, Odisha.

4th All India Handloom Census (2019-20)

S.N.	Parameters	4th Census
1	Number of Looms	28.20 lakh
2	Number of Households	31.44 lakh
3	Total Non- Households	5457
4	Total number of Handloom Workers	35.22 lakh
	(a) Total number of Weavers	26.74 lakh
	(b) Total number of allied workers	8.48 lakh
5	Average number of working days in a year by handloom worker	207

31. In response to a specific query regarding admission to Diploma in Handloom and Textile Technology (DHTT) in the Indian Institute of Handloom Technology (IIHT), the Ministry submitted as follows:

"There are 6 IIHTs under Central Sector under the administrative control of O/o D.C (Handlooms) and are situated at Salem (Tamilnadu), Varanasi (Uttar Pradesh), Guwahati (Assam), Jodhpur (Rajasthan), Bargarh (Odisha) and Fulia, Shantipur (West Bengal). Besides, 4 IIHTs under State Sector are also functioning under the administrative control of respective State Governments, which are situated at Venkatagiri (Andhra Pradesh), Gadag-Betgeri (Karnataka), Champa (Chattisgarh) and Kannur (Kerala). All these 10 IIHTs conduct the Diploma course in Handloom & Textile Technology (DHTT) and follow the same syllabus / examination pattern.

Each IIHT has its own area of jurisdiction and states have been allocated for each of the central sector IIHTs along with number of seats earmarked for admission to the said Diploma in Handloom Technology (DHTT) course by the state."

32. Asked to state the measures taken for marketing and promotion of Indian Handloom products in Global market under Handloom marketing assistance during the last fiscal. The Ministry submitted as under:

"During the last fiscal year i.e. 2019-20, Handloom Export Promotion Council (HEPC) participated in 14 international expos/fairs (09 under National Handloom Development Programme & 5 under Marketing Access Initiative scheme) with the handloom exporters. The export figures for the handloom products were Rs.2248.33 crore during the above year. In the current year, HEPC has been taking initiative to virtually connect the handloom weavers and exporters from different corners of the country with the International Market. Till date, HEPC has organized 08 international expos/fairs in virtual mode, facilitating marketing and sales of handloom products."

33. The Committee then asked the measures taken by the Ministry to support the handloom weavers during Covid-19 Pandemic and the extent to which those measures mitigated the hardships faced by the weavers. In reply, the Ministry submitted as under:

"In order to come out of the COVID 19 pandemic situation and to mitigate its effects on handloom weavers, the following initiatives have been taken.

- Handloom Export Promotion Council (HEPC) took initiative to virtually connect Handloom weavers and exporters from different parts of the country with the international market. 07 International Fairs were organised in virtual mode
- HEPC also participated in the Bharat Parv Festival organised by Ministry of Tourism. Besides, 53 domestic marketing events have also been are to be organised in different parts of the country.

- Social media campaigns #Vocal4handmade was launched on the 6th National Handloom Day and 9th November, 2020 by the Government, in partnership with all stakeholders to ensure people's support for the weaving community.
- 534 number of Chaupals were organized in various States to educate the weavers to avail benefits of various handloom schemes.
- To ensure higher returns on Weavers' through pooling of resources, 117 Handloom Producer companies have been formed in different States.
- To promote e-marketing of handloom products, 23 e-commerce entities have been associated for on-line marketing of handloom products.
- Design Resource Centres (DRCs) have been set up in Weavers Service Centres (WSCs) Delhi, Mumbai, Varanasi, Ahmedabad, Jaipur, Bhubaneshwar and Guwahati through NIFT with the objective to build and create design-oriented excellence in the Handloom Sector and to facilitate weavers, exporters, manufacturers and designers for creating new designs and take benefit of erstwhile created designs.
- About 1.5 Lakh weavers have been on-boarded on the Government e-Market place (GeM) to enable them sell their products directly to various Government Departments."

34. Asked to state the steps taken to exempt the Handloom and Handicraft goods under GST so that the poor weavers and artisans got fair prices for their products in e-marketing platform. In reply, the Ministry stated as under:

"Ministry has requested Central Board of Indirect Taxes & Customs and Central Board of Direct Taxes for exemption of those handloom weavers and handicraft artisans who will be on-boarded on the e-commerce platform, from the registration requirement and consequent compliances under the GST law as well as TDS provisions under Income Tax Act. However, as and when the weavers and artisans cross the turnover threshold of Rs 40 lakhs applicable for non e-commerce transactions, then only the GST registration requirement and other compliances should be made applicable in their case."

ii. **Handicraft Sector**

35. The details of Budget allocation and utilisation under Handicraft Sector for the year 2020-21 and Budget allocated for the year 2021-22 are as under:

BE 2020-21	RE 2020-21	AE 2020-21	% age w.r.t. RE	BE 2021-22
398.21	284.77	213.54	74.99%	371.00

36. The proposed major activities under Handicraft Sector for the year 2021-22 are as under:

- Formation of 40 Producer Companies and adoption of 60 clusters including Export oriented clusters. Interventions to be carried out in these clusters.

- 110 Domestic & 39 International Marketing events planned during year 2021-22.
- 7000 Modern/improved toolkits to be distributed.
- 142 Design development workshops proposed for development of new design benefitting 4260 artisans.
- To enrol 01 lakh new artisans under PAHCHAN initiative.
- 370 Handicrafts training programmes proposed for skill up-gradation of 7500 handicraft artisans.

National Handicrafts Development Programme

37. Details of plan outlays and expenditure during the last three years under National Handicrafts Development Programme are as under:

(Rs. in crore)

Year	BE	RE	AE
2018-19	198.42	240.61	195.26
2019-20	286.17	332.31	282.16
2020-21	398.21	284.77	205.27 (as on 01.02.2021)
2021-22	371	-	-

38. From the above data, it may be observed that the Actual Expenditure under Handicrafts Development Programme is lower than the BE and RE in all the last 3 fiscal years. In this context, the Committee asked the reasons for consistent shortfalls in the utilisation of funds. In reply, the Ministry stated as under:

"The actual expenditure during the last 3 fiscal years of National Handicraft Development Programme is lower than BE and RE due to the following reasons/constraints:

- Non-submission/Non-receipt of viable proposal from Implementing agency within the time frame resulting in delay in processing/sanctioning of the projects/programmes.
- Pending utilization certificates, unspent balances of earlier sanctioned grants, procedure delays etc. on the part of implementing agency/State Government agencies and financial concurrence.
- During fiscal 2020-21, due to the COVID Pandemic and restrictions imposed thereon mobility of the artisans was seriously affected and many of the projects/ programmes which attracts mass gathering such as marketing events, Training Programmes, Workshops/Seminars etc. could not be materialized in time."

39. Asked to state the reasons for reduction of BE 2020-21 of Rs. 398.21 crore to Rs. 284.77 crore at RE stage, the Ministry submitted as under:

"Due to the Covid pandemic and consequent lockdown throughout country, the public gathering was not allowed. As most of the schemes implemented by the

Office of Development Commissioner (Handicrafts) like Marketing events, Training programmes, Design workshops, seminars etc. could not be implemented as per the quarterly set physical targets causing reduction in financial allocation. Thus BE was reduced to Rs. 284.77 crore at RE stage."

40. The Committee desired to know whether BE 2021-22 of Rs. 371 crore would be sufficient for effective implementation of the National Handicrafts Development Programme scheme. In reply, the Ministry stated as under:

"The amount of Rs. 371 crore is sufficient for effective implementation of NHDP scheme as the major capital expenditure has already been incurred during financial year 2020-21."

41. The present status of physical and financial targets of all components under National Handicraft Development Programme during 2020-21 alongwith reasons for shortfall are as under:

S. No.	Component	2020-21 Targets	Achievements
1.	Baba Saheb Ambedkar Hastshilp Vikas Yojana (AHVY)/ Dastkar Shashktikaran Yojna		
	Identification and development of clusters	132	75
2.	Design & Technology Up-gradation Scheme		
	Financial Assistance for supply of tools, safety equipment etc.	3750	4250
	Number of Design Workshops	120	75
	Number of Integrated Design Projects	50	51
	Number of Shilp gurus/ National Award/ National Merit Certificate.	--	--
	Rail travel assistance to SG/ NA@Rs.20,000 per year per Awardee	--	--
	Assistance to exporter and entrepreneurs for design prototype.	--	--
	Commercial market intelligence by way of design, trend and technical colour forecast.	--	--
3.	Marketing Support Services Scheme		
	Gandhi Shilp Bazaar	60	30
	Craft Bazaar	71	29
	Exhibitions	90	36
	International Marketing	100	10
	Publicity	03	04
4.	Human Resource Development Scheme		
	Training Through Established Institutions	02	--
	Design Mentorship and apprentice Programme	02	--
	Handicrafts Training Programme – Technical Training	200	200
	Handicrafts Training Programme – Soft Skill Training	100	14
	Guru Shishya Parampara	70	--

	Training of Trainers (ToT)	26	15
5.	Research and Development Scheme		
	Survey/Studies	Need based	43
	Conducting of Workshop/Seminar	Need based	115
	Registration of Crafts under Geographical Indication Act.	--	
	Financial Assistance to taking up issues relating to Brand building and Promotion of Indian Handicrafts	--	
	Census of handicraft artisans.	--	
6.	Direct Benefit to Artisans		
	PMJJBY/PMSBY/Converged AABY	2.00 lakhs artisans	
	Support To Artisans In Indigent Circumstances	350 artisans	
	Interest Subvention Scheme	50,000 artisans	
	Issue of Identity Cards	4.00 lakhs	
7.	Infrastructure and Technology Development Scheme		
	Urban Haat	1	1
	Mini Urban Haat	1	
	Emporia	1	1
	Sourcing Hub (Metro)	--	
	Sourcing Hub (Non Metro)	--	
	Design School	1	
	Handicraft Museum	1	
	Design Bank	1	
	Craft Based Resource Centre	--	
	CFC		1
	Raw material Depot	1	
	Testing Lab	--	
	Craft village	04	
	Restructuring/revitalizing of existing institutions	--	

Reasons for shortfall are as under:

During fiscal 2020-21, due to the COVID Pandemic and restrictions imposed thereon mobility of the artisans was seriously affected and many of the projects/ programmes which attracts mass gathering such as marketing events, Training Programmes, Workshops/Seminars etc. could not be materialized in time.

All the efforts are being made for achieving the physical target for the year 2021-22."

42. The Committee desired to be apprised of the measures taken by the Ministry and Department of Promotion of Industry and Internal Trade (DPIIT) to prevent the import of cheap Handicraft products/toys which are not eco-friendly and safe. In reply, the Ministry submitted as under:

"Office of DC(Handicrafts), Ministry of Textiles has taken initiative for producing toy products in mass quantity, identify toy craft clusters across the country. In this

connection, various marketing platforms including virtual fairs are organized for being providing opportunity to rural toy making artisans."

43. As regards promotion of handlooms and handicrafts on e-marketing platform, the Ministry stated as under:

"The following steps have been taken by Ministry of Textiles for e-Marketing of handicrafts and handloom products: -

- (a) To promote e-marketing of handloom/handicraft products, 23 E-commerce entities have been associated for on-line marketing of handloom/handicraft products.
- (b) About 1.80 Lakhs Handloom weavers and Handicraft artisans have been on-board on the government e-Marketplace (GeM) to enable them sell their products directly to various Government Departments.
- (c) An e-marketing platform is being developed by Ministry of Textiles in collaboration with Digital India Corporation (DIC) under ministry of Electronics and Technology (Meity) towards providing end to end solutions for e-marketing of handloom and handicraft products. However, the GST registration by weavers and artisans is must for being able to sell through online portals. A request has been made by MoT to Department of Revenue to exempt the weavers and artisans who want to sell even small quantities through the portal."

44. In response to a specific query regarding sanction of MUDRA Loan, the Ministry apprised as under:

"Office of DC (Handicrafts), organizes special MUDRA loan camps/chaupals receive applications and tie up with banks to sanction MUDRA loan to handicraft artisans. However, it is the prerogative of the bank to sanction loan to them. During last five years, total 7631 numbers of MUDRA loan have been sanctioned."

45. As regards provision of Aadhar linked Pahchan Card to handicraft artisans, the Ministry deposed as under:

"Office of DC (Handicrafts) issues Aadhar link Pahchan card to handicraft artisans for identification of genuine handicraft artisans. The field offices of DC (Handicrafts) verify the details filled in the application forms and collect the documents from the applicant. Thereafter the artisans requested to give demonstration of the crafts practicing.

Accordingly on verification and recommendation of the same by the field offices the Pahchan card is issued. As on date the total 26.34 lakhs artisans have been

identified for issuance of Pahchan ID card for the entire country. Out of which 1.12 lakhs Pahchan cards have been issued to the handicraft's artisans in the State of Rajasthan. Ministry of Textiles has requested to Ministry of Finance to consider for exempting handicrafts goods from the purview of GST.

Further, to promote handicraft in Rajasthan, Marketing events, workshops/seminar, Design workshops, Technical Training, Distribution of modern tool kits in different craft clusters are being organized by the O/o DC (Handicrafts) . A total of 32310 artisans benefitted directly under various schemes."

46. Regarding the Census of the artisans, the Ministry apprised as under:

"The Census of the artisans is a very important issue for better planning and policy formulations in the handicraft sector. The State wise data related to number of artisans present in the country are available through the Economic Census conducted by Government of India. The latest result is available from 6th economic census (2013). The result of the seventh economic census is expected to be released very soon.

Further, the State wise data related to artisans available through no. of Pahchan cards issued in the respective State. In addition, Office of DC (Handicrafts) issues Aadhar link Pahchan card to handicraft artisans for identification of genuine handicraft artisans. The field offices of DC (Handicrafts) verify the details filled in the application forms and collect the documents from the applicant. Thereafter the artisans requested to give demonstration of the crafts practicing.

Accordingly on verification and recommendation of the same by the field offices the Pahchan card is issued. As on date the total 26.34 lakhs artisans have been identified for issuance of Pahchan ID card for the entire country"

47. Asked to state the measures taken to promote handicrafts during Covid-19 pandemic, the Ministry submitted as under:

"Office of Development Commissioner (Handicrafts) has taken following measures during Covid-19:

- (a) Total 03 virtual marketing events have been organized.
- (b) A social media campaign was launched during Diwali festival on 9th November, 2020 by the Government, in partnership with all stakeholders, to promote handicrafts and to ensure people's support for the artisan's community.
- (c) All-out effort has been made for providing direct marketing platform to handicraft artisans in collaboration with GeM to sell their products/ items to Ministries/ Departments and other government agencies, eliminating

intermediaries, and selling directly to the government. So far, approx. 25000 artisans have been registered on the GEM portal.

- (d) 07 Crafts Villages have been sanctioned to promote handicrafts linking with tourism."

48. In response to another specific query regarding the closure of All India Handicraft Board (AIHB), the Ministry clarified as under:

"The All India Handicraft Board (AIHB) was established in the year 1952 to advise the Government about the problems of Handicrafts Sector and to suggest improvement and development. In consonance with the Government of India's vision for "Minimum Government, Maximum Governance", the Government felt need for closure of the AIHB in 2020.

To access the problems face by the handicraft artisans and challenges in handicraft sector, 660 chaupals and hastshilp shivirs have been organized throughout country. On the basis of feedbacks received during the chaupal and shivir, policy decisions have been taken"

iii. Powerloom Sector

49. The details of Budget allocation and utilisation under Powerloom Sector for the year 2020-21 and Budget allocated for the year 2021-22 are as under:

BE 2020-21	RE 2020-21	AE 2020-21	% age w.r.t. RE	BE 2021-22
140.00	60.00	40.76	67.93%	74.28

50. The details of funds released to major Sub-Schemes under Powerloom sector are as under:

- Group Workshed Scheme: Rs. 13.60 crore released to 38 projects.
- Common Facility Centre: Rs. 5.33 crore released to 3 projects.
- In-situ upgradation:Rs.5.11 crore released for upgrading 4342 looms
- PM Credit Scheme: Rs.6.10 crore released to 62 units
- Powerloom Service Centres: Rs.4.70 crore released to 32 Non-Tx.C PSCs.
- Tx.C PSC (15)Exp: Rs.5.68 crore released for administrative expense

Powertex

51. The office of the Textile Commissioner, Mumbai was implementing various schemes under one umbrella scheme viz. Power Tex India scheme for the period of 3 years from 1.4.2017 to 31.3.2020. Various schemes covered under the said umbrella scheme Power Tex India are : (1) Insitu upgradation of Plain powerlom scheme (2) Group Workshed Scheme (3) Yarn Bank Scheme (4) Common Facility Centre scheme

(5) PM Credit Scheme for Powerloom Weavers (6) Solar Energy Scheme (7) Grant in Aid to Non TXC PSCs (8) Modernization of PSCs (9) Marketing, Publicity & IT component.

52. The details of funds allocated and utilised during the last three years under PowerTex are as follows:

(Rs. in crore)

Year	BE	RE	AE
2018-19	87.15	80.90	77.15
2019-20	129.08	130.36	41.53
2020-21	110.00	50	39.78 (as on 01.02.2021)
2021-22	50	-	-

53. As would be seen from the above, the Actual Expenditure (AE) under PowerTex has been considerably decreasing since 2018-19 and the reason attributed for under utilisation of funds was due to pending vigilance enquiry on the claims received from the Bhiwandi region of Maharashtra and projects sanctioned during the current fiscal depends on the Local Level Monitoring Committee (LLMC) report. The Committee desired to know the present status of the case. In reply, the Ministry submitted as under:

"It is fact that actual expenditure is decreasing since 2018-19. One of the major reasons in respect of decreasing expenditure is due to allocation of Rs. 30 crore under SCSP during the year 2019-20 & 2020-21. Powerloom weavers, who were pertaining to SC category, were already covered for benefits during 2017-18 & 2018-19.

Further, it is to mention that till 2018-19, major expenditure was being made under Insitu Upgradation of plain powerlooms sub-component of PowerTex India Scheme before said year. However, after noticing irregularities committed in the claims made by kits suppliers/ manufactures of Bhiwandi, Maharashtra region, matter was referred to CBI for further investigation and it was decided that till further decision, all claims of Insitu Upgradation of plain powerlooms to be kept on hold. The matter was decided by the Committee headed by the then Special Secretary in its meeting held on 3rd March, 2020 and the pending claims of other than Bhiwandi- Maharashtra Region have to be considered for payment of eligible subsidy after Re-JIT. By the time action was to be started by the field offices of the Office of the Textile Commissioner, Mumbai, lockdown was declared in last week of March 2020 due to COVID-19. The field officers of Office of the Textile Commissioner, Mumbai were deputed till end of July 2020 for promoting and monitoring the manufacturing of PPE kits and Mask in the country. 86% progress made since August, 2020. Re-verification of pending claims other than Maharashtra state has been completed however payment of subsidy affected as while releasing the payment, credential of powerloom weavers are required to be verified through Aadhar validation. It is known facts that poor people including powerloom weavers frequently change their mobile numbers hence this process take more time.

Similarly, the claims of projects sanctioned under Group Workshed Scheme, Common Facility Centers in which fund are being released on the basis of Local Level Monitoring Committee (LLMC) comprising the member of the concerned state government however same could not be submitted during the year 2020-21 due to various issues related to COVID-19 and thereafter deployment of field officers for completion of pending JITs related to ATUFS.

Here, it is also to mention that during the year 2019-20, under PM Credit Scheme for Powerloom Weavers, the required performance could not be made as lending agencies have not submitted claims supported with proper documents.

Efforts are being made so as entire allocated amount for the year 2020-21 other than SCSP head well before 15th March 2021, however shortfall in utilization is expected due to non-receipt of LLMC under Group Workshed Scheme under Powertex India Scheme."

54. Asked to state the reasons for consistent under performance of In-situ upgradation of plain powerloom (PowerTex). In reply, the Ministry submitted as under:

"There were certain issues due to irregularities noticed in the year 2018-19 and thereafter pending CBI inquiry, however, after deciding the issue by the Committee headed by the then Special Secretary in its meeting held on 3rd March, 2020. Satisfactory progress has been made in implementation of this scheme during the year 2020-21 even after pandemic situation as by end of 12th Feb 2021, an expenditure of Rs. 5.11 cr. against authorised amount of Rs 11.64 crore is already booked and it is expected that remaining authorized amount will be utilized well before 15th March 2021."

55. The Committee asked whether it would be correct to assume that because of the powerlooms, all the organised mills suffered and have been closed. In response, the Ministry submitted as follows:

"It may be incorrect to hold that because of Powerlooms, all the organized mills have been closed and lakhs labourers are being exploited. Before the strike was called upon by Dr. Datta Samant in 1982, there were only two segments viz. Handloom and Mill sector. Due to strike of labours of mill sector and to supply clothes of their brand in the market, the mill sector encouraged handloom weavers to go for installation of powerlooms which were discarded by mill sector by providing technical know-how. There after due to increase in land prices or other, mill owners with the help of unions started to close their mills located in cities. The handloom weavers switched into powerloom weavers initially to earn some profit as they were less in numbers and demand for production was more. Slowly this sector became one of the most important segments of the Textile Industry in terms of fabric production and employment generation.

As per M/s Nielsen baseline Powerloom survey conducted during the year 2013, Powerloom sector provides employment to 44.18 Lakh persons and contributes 60% of total cloth production in the country. More than 60% of fabric meant for export is also sourced from Powerloom sector. The readymade

garments and home textile sectors are heavily dependent on the Powerloom sector to meet their fabric requirement. The powerloom weavers rather are stated to be exploited by trading community and middlemen/intermediaries by giving very less job work charges to them. About 60% powerloom weavers themselves operate their looms whereas 40% are run through workers.

There is very little social security for workers employed in un-organised powerloom sector, except insurance cover and benefits under a few schemes."

56. In response to another specific query regarding the Sircilla Powerloom Cluster in Telangana, the Ministry apprised as under:

"Sircilla powerloom cluster of Telangana is not declared as a powerloom mega cluster under CPCD scheme. Mega Cluster projects are generally announced in the Finance Minister's Budget Speech. In appreciation of the need to establish a Powerloom Mega Cluster at Sircilla, Karimnagar District in Telangana, a proposal was recommended by Ministry of Textiles for consideration and inclusion in the Budget proposals for 2018-19. However, the same could not be included in the Budget 2018-19.

Under Amended Technology Upgradation Fund Scheme, there is a provision to upgrade the Powerlooms by installing TUFs compatible shuttleless looms, pre weaving and post weaving machineries. Government of India provides 10% Capital Investment subsidy on basic value of the machineries under AUFS subject fulfillment of conditions prescribed in the approved guidelines."

57. The Committee then desired to know the committed liabilities under PowerTex and whether the Scheme would be continued after 31 March, 2021. In reply, the Ministry submitted as under:

As on date there are committed liabilities of Rs.64.57 crores under Group Workshed Scheme, Rs.113.22 cr under Insitu upgradation of plain powerloom scheme and Rs.1.95 cr under Common Facility Centre totalling to Rs.179.74 crores under Power Tex India scheme. The period of Power Tex India originally approved was for 3 years from 1.4.2017 to 31.3.2020 and the same is extended one more year upto 31.3.2021. As regards for the period after 31st March 2021, Ministry is in the process of rationalization of Powertex India scheme and it is expected to continue all committed liabilities upto 2025-26. Besides, as per initial proposal being prepared , some critical sub components may continue in the revamped scheme.

58. The Ministry further submitted as under:

"The scheme has been further continued from 01.04.2020 to 31.03.2021 for meeting the committed liabilities and the projects already proposed in the revised SFC for 2017-18 to 2019-20. O/o the Textile Commissioner has proposed for discontinuation of In-situ Upgradation of plain powerlooms component due to high administrative cost."

iv. **Jute Sector**

59. The details of the fund allocated and utilised under Jute Sector are as under:

(Rs. in crore)

Year	B.E	R.E	A.E
2018-19	Rs.28.14	Rs.28.04	Rs.28.00
2019-20	Rs.34.55	Rs.84.55	Rs.104.42
2020-21	Rs.136.53	Rs.71.53	Rs. 54.25
2021-22	Rs. 153.01	--	--

60. As may be seen from the above data, an amount of Rs.136.53 crore had been allocated for the Jute sector during BE 2020-21 and the same was revised to Rs.71.53 crore at RE stage and the Actual Expenditure was only Rs. 54.25 crore. The Committee desired to know the reasons for gross mismatches between the funds allocated and utilised during 2020-21. In reply, the Ministry submitted as under:

"For the current fiscal year, an amount Rs. 136.52 crore (Rs. 95.00 crore to NJB, Rs. 40.00 crore to JCI, Rs. 1.50 crore to IJIRA and Rs. 1.00 lakh each to NJMC and BJEL as Token Money) was allocated at BE stage which was revised at RE stage to Rs. 71.52 crore (Rs. 40.00 to NJB, Rs. 30.00 to JCI, Rs. 1.50 crore to IJIRA and Rs. 1.00 lakh each to NJMC and BJEL as Token Money) against which an amount to Rs. 54.25 crore has been incurred by the organizations of the Jute Sector till 17.02.2021.

As per mandate of National Jute Board, the Annual Action Plan (AAP) is prepared with the approval of Board which covers detailed promotional activities / schemes under Jute Sector for implementation during the whole Financial. In the current FY, the BE was Rs.95.00 crore including Rs. 15 crore under SC/ST component for undertaking specific activities / schemes. Since, the detailed activities / schemes could not be finalized under SC/ST component due to Covid-19 pandemic, Rs.15.00 crore was surrendered. Further, it is stated that the most of schemes of the NJB like Retail Outlet Scheme, Jute Integrated Development (JID) Scheme, Jute Raw Material Bank (JRMB) Scheme, Fairs & Exhibition (Domestic / International), Export Market Development Assistance (EMDA) Scheme, Promotional campaign, Design Development of JDPs, etc. are public oriented and promotional types and there is need to public gathering and their interaction. However, due to Covid-19 pandemic, there were restrictions of public gathering, hence, some of the approved schemes / activities including inspection of the mills under ISAPM could not be implemented in full-fledged manner in the current year and funds could not be incurred on implementation of them resulting the allocation of funds for NJB has been revised at RE stage to Rs.40.00 crore.

Keeping in view, the total fund allotment at RE stage (Rs.40.00 crore), NJB utilized the fund for implementation of activities and actual expenditure incurred

(upto April-December 2020) is Rs.22.75 crore. The expenditure to be incurred during January-March 2021 as estimated at Rs.17.25 crore (incl. outstanding liabilities on A/c of Promotional schemes/activities being implemented by NJB). With this, the RE of Rs.40.00 crore would be fully utilized during 2020-21 and there would not be mismatch between RE and actual utilization.

Further, an amount to Rs. 40.00 crore to Jute Corporation of India (JCI) Ltd and Rs. 1.50 crore to Indian Jute Industries Research Association (IJIRA) were allocated at BE stage in current fiscal year. The allocation of fund to JCI has been revised to Rs. 30.00 crore at RE stage. Both organizations, JCI and IJIRA have fully utilized the fund."

61. Asked to state the steps taken to ensure optimum utilisation of funds under Jute Sector during the current fiscal year, the Ministry stated as under:

"As per mandates, NJB has been making its all efforts for implementation of promotional activities / schemes as per approved AAP, which covers broadly the following :

Jute Agriculture : Improved Cultivation and Retting Exercise (Jute-ICARE)

- I. Workers' Welfare in the Jute Sector:
 - a. Subsidy for sanitation through construction of Sulabh Sauchalayas for jute mill workers.
 - b. Incentive scheme for Girl Children of jute mills / MSME workers.
- II. Modernisation : Incentive Scheme for Acquisition of Plants and Machinery (ISAPM)
- III. Jute Diversification :
 - a. Retail Outlet Scheme
 - b. Jute Integrated Development (JID) Scheme
 - c. Jute Raw Material Bank (JRMB) Scheme
- IV. Market Promotion & Development :
 - a. Fairs & Exhibition (Domestic / International)
 - b. Export Market Development Assistance (EMDA) Scheme.
 - c. Promotional campaign
- V. Design Development of JDPs
- VI. Jute Geo-textile promotional activities

It is stated that the most of schemes of the NJB like Retail Outlet Scheme, Jute Integrated Development (JID) Scheme, Jute Raw Material Bank (JRMB) Scheme, Fairs & Exhibition (Domestic / International), Export Market Development Assistance (EMDA) Scheme, Promotional campaign, Design Development of JDPs, etc. are public oriented and promotional types and there is need to public gathering and their interaction. However, due to Covid-19 pandemic, there were restrictions of public gathering, hence, some of the approved schemes / activities including inspection of the mills under ISAPM

could not be implemented in full-fledged manner in the current year and funds could not be incurred on implementation of them. Therefore, the allocated amount to Rs. 95.00 crore (including Rs. 15.00 crore under SC/ST component) at BE stage could be revised at RE stage as Rs. 40.00 crore."

62. Further asked about the status of jute mills and their upgradation/modernisation, the Ministry submitted as follows:

To ensuring maintenance of steady orders to jute mills so that no jute mill is declared closed or to revive closed jute mills, the following steps have been taken by the Central Government:-

- (a) The Government of India has decided to continue Jute Packaging Material (Compulsory Use in Packing Commodities) Act, 1987 keeping in view the interest of raw jute growers and workers involved in the jute industry. Through this act, every year, government specifies the commodities and the extent to which they are mandatorily required to be packed in Jute Packaging Materials. During the last three years 100% foodgrains and 20% sugar is required to be packed in jute bags. As per stipulation of the Orders different state foodgrains procuring agencies including FCI purchase jute bags to the tune of around 30.0 lakh bales for packing foodgrains. The total purchase currently constitutes about 70.16% of the total production of jute goods and 88.4% of the total production of sacking.
- (b) As per the decision of the Cabinet Committee on Economic Affairs (CCEA), a new mechanism for Production cum Supply Order (PCSO) allotment aimed at incentivizing the mills to strive for better performance has been devised wherein production efficiency, export and ability to sell in private market is be given due weightage in addition to the present criterion of installed capacity. Accordingly, mill-wise share of allocation is being done after considering 40% of the total production, 40% of the value of production and 20% capacity ratio.
- (c) To facilitate modernization and upgradation of technology in existing/ new jute mills and JDP units, incentive @ 20% for Jute Mill and 30% for JDP - MSME units subject to a maximum of Rs.2.50 crore per unit during the scheme period is considered under the ISAPM scheme subject to the investment of at least 10% credit linkage from scheduled banks.

So far 70 units have availed the benefits under the ISAPM scheme. The year wise incentive disbursed under ISAPM is given below:

F.Y.	2013-14	2014-15	2015-16	2016-17	2017-18	2018 -19	2019-20 (Prov.)
Audited disbursed Incentive amount (Rs. in Cr.)	2.36	3.62	4.85	17.39	14.27	9.20	16.56
No. of Mills availed the benefits	6	17	16	24	30	22	30

63. On being asked whether the Government was coming out with certain specific programmes to enhance the diversification of jute produce/products, the Ministry submitted as under:

"As measure for proliferation of Jute Diversification activities and enhance production of jute diversified products, NJB implements series of promotional schemes / activities, which are given below:

(a) Improved Cultivation and Retting Exercise (ICARE) for jute agriculture.

Jute-ICARE programme introduces package of scientific technique for jute cultivation and retting exercises for improving fibre quality and productivity and reducing cost of jute production. Registration of farmers, supply of certified seeds, seed driller, nail weeder and CRIJAF Sona are main activities under the programme. The better quality of raw jute are being used for production of value added jute diversified products by MSME-JDP units / jute mills.

(b) Incentive Scheme for Acquisition of Plants and Machinery.

To facilitate modernization and upgradation of technology in existing/ new jute mills and JDP - units, incentive @ 20% for Jute Mill and 30% for JDP - MSME units subject to a maximum of Rs.2.50 crore per unit during the scheme period is considered under the scheme subject to the investment of at least 10% credit linkage from scheduled banks.

(c) Jute Integrated Development (JID) Scheme

To create new / skilled work force for production of value added JDPs and to provide self-employment opportunity facilitating backward and forward linkage to the existing and new entrepreneurs, the scheme provides basic, advance and design trainings and training cum production center, Raw material bank, Retail outlet and participation in exhibition and fairs for production and promotion of jute products.

(d) Jute Raw Material Bank (JRMB) Scheme

To supply jute raw materials to MSME –units and artisans engaged in production of jute diversified products at mill gate price, incentive @ 15% of total sales in 1st & 2nd year, 12% in 3rd year and 10% in 4th year, subject to a maximum of Rs.15.12 Lakhs / annum, is provided under the scheme."

64. The Committee then desired to know the measures taken to increase the quality of Indian Raw Jute so as to ensure sizeable exports. In reply, the Ministry submitted as under:

"NJB has been implementing Jute-ICARE (Improved Cultivation and Advanced Retting Exercise) project for the last five years in a phased manner with the objective to introduce package of scientific technique for jute cultivation and retting exercises for improving fibre quality and productivity and reducing cost of

jute production. Registration of farmers, supply of certified seeds, seed driller, nail weeder and CRIJAF Sona are the main activities of the scheme. A total of Rs. 45.35 crore has been granted for a period of three years (2017-18 to 2019-20) for implementation of the scheme.

The details of physical progress of Jute-ICARE Phase-I to Phase –VI is given below :

Sl. No.	Particulars	ICARE-I (2015-16)	ICARE-II (2016-17)	ICARE-III (2017-18)	ICARE-IV (2018-19)	ICARE-V (2019-20)	ICARE- VI (2020-21 (Provisional))
1	No. of Jute growing block / state covered	4 Blocks under W.B & Assam	14 Blocks under W.B, Bihar, Assam, Odisha, A.P & Meghalaya	30 Blocks under W.B, Bihar, Assam, Odisha, A.P & Meghalaya	69 Blocks under W.B, Bihar, Assam, Odisha, A.P & Meghalaya	72 blocks under W.B, Bihar, Assam, Odisha, A.P and Meghalaya	130 blocks under W.B, Bihar, Assam, Odisha, A.P, Meghalaya and Tripura
2	Land covered (Ha)	12331	26264	70628	98897	106934	110893
3	No. of farmers covered	21548	41616	102372	193070	243549	258324

Through implementation of I-CARE scheme following benefits to the farmers have been observed:

1. Saving of labour cost at least Rs.4000/- to Rs.5000/- per hectare.
2. Yield increase from 23/24 quintal per hectare to 28/29 quintal per hectare,
3. Income rises to Rs.9000/- to Rs.12000/- per hectare.

Further, the challenge of retting water is being addressed by the construction of retting tanks through converging with Government schemes like MNREGA, PMKVY etc. The target of construction of retting tank is 46,000 tanks in two years. To tackle the menace of spurious seeds in the market, JCI has taken up the job of distributing 1000 MT of certified jute seeds of the JRO-204 variety commercially for the ensuing crop year."

65. Asked to state the measures taken to iron out the impediments faced by the Jute Industry, the Ministry submitted as under:

"Following measures have been/are being taken to iron out the impediments faced by the Jute Industry:

The impediments faced by the Jute Industry	Measures being taken
<ul style="list-style-type: none"> • Decline in area under jute cultivation. • Non availability of certified seeds • Inefficient post-harvest and fibre extraction methodologies • Bonafide data of Jute growers. 	<ul style="list-style-type: none"> • Jute-ICARE programme has been implemented by NJB
MSME sector – for JDPs : <ul style="list-style-type: none"> • Non availability of quality jute raw 	<ul style="list-style-type: none"> • Implementation of Jute Raw

<p>materials</p> <ul style="list-style-type: none"> • Lack of design input and absence of quality mark. • Stiff competition from synthetic substitutes, non-woven in particular. 	<p>Material Bank (JRMB)</p> <ul style="list-style-type: none"> • Implementation of design and development programme through National Institute of Design, Ahmedabad and Jute Integrated Development (JID) scheme • Implementation of Export Market Development Assistance (EMDA) scheme
<p>Jute Mill / Industry sector :</p> <ul style="list-style-type: none"> • Poor and average quality of raw jute and lack of standardization • Fluctuation in price of raw jute • Obsolete machinery and rising cost of production and competition from cheaper substitutes • Lack of awareness on the Eco friendly natural fibre and branding 	<ul style="list-style-type: none"> • Jute-ICARE programme has been implemented by NJB • Implementation of Minimum Support Price (MSP) for raw jute by the Jute Corporation of India (JCI) • Implementation of Incentive Scheme for Acquisition of Plant & Machinery (ISAPM) scheme • Launching domestic / international promotional campaign for jute and jute products, organization of seminars / workshops / awareness programme for jute and jute products.

Apart from above, under Jute Packaging Material (Compulsory Use in Packing Commodities) Act, 1987, the Government of India has decided to continue keeping in view the interest of raw jute growers and workers involved in the jute industry. Through this act, every year, government specifies the commodities and the extent to which they are mandatorily required to be packed in Jute Packaging Materials. This law has given tremendous support to the jute industry in India over the last three decades. The level of reservations recommended by the Government in the past few years are furnished below:-

Order date	Year	Sugar	Foodgrains
31.01.2014	2013-14	20%	90%
14.01.2016	2015-16	20%	90%
09.03.2018	2017-18	20%	90%
30.11.2018	2018-19	20%	100%
20.12.2019	2019-20	20%	100%
26-11-2020	2020-21	20%	100%

As per stipulations of the Orders, different state foodgrains procuring agencies including FCI purchase jute bags to the tune of around 30.0 lakh bales for packing foodgrains. The total purchase currently constitutes about 70.16% of the total production of jute goods and 88.4% of the total production of sacking. With the continuation of this Act, jute mills are getting orders on a regular basis. Orders issued under this Act further stipulates that Minimum percentage of total production of commodity or class of commodities required to be packed in jute

packaging material to be manufactured in India from raw jute produced in India. This is another measure to make India self-reliant."

66. On being asked about the extent to which the Covid-19 Pandemic has affected the Jute Industry and the measures taken to support the Jute workers, the Ministry stated as under:

"From 23-03-2020, all jute mills stopped manufacturing operations due to lockdown. As per Order No. 40-3/2020-DM-I(A) dated 15-04-2020 of MHA, Government of India, Jute Industries have been allowed to resume operations with staggered shifts and MHA vide an Order dated 30-05-2020 had allowed all jute mills to function with 100% workforce from 01-06-2020. Production of jute goods and consumption of raw jute during the lockdown period vis-à-vis the corresponding period of 2019 are given below:-

Qty: In '000' MT

	Production of jute goods		Raw jute consumption	
	2020	2019	2020	2019
March	70.1	94.2	71.4	99.5
April	2.2	95.0	0.5	101.6
May	21.7	85.8	21.8	86.3
Total	94.0	275.0	93.7	287.4

It may be seen that production during Mar to May'2020 has drastically fallen by 65.8% in comparison to the same period of 2019. Similarly, consumption of raw jute has also declined significantly by 67.4% from the same period of 2019.

As per stipulation of the Orders issued under JPM Act, 1987, different state foodgrains procuring agencies including FCI purchase jute bags for packing foodgrains procured under MSP operation for distribution through PDS. In the last Rabi 2020-21 season, a total quantity of 23.36 lakh bales of jute bags had been planned to be procured. In view of closure/limited operations of jute mills due to lockdown, the supply of B-Twill jute bags had been severely affected. The supply of jute bags during the period of lockdown vis-à-vis the supply during the corresponding period of 2019 is furnished below:-

Supply of jute bags (IN: Bales)

	2020	2019
March	189397	245841
April	33235	226404
May	47685	195366
Total>	270317	667611

The above table indicates that in the year 2020, the supply of jute bags during March to May'2020 has decreased substantially by 59.5% over the same period of 2019.

Following measures were taken to support the jute workers:

(a) The shortfall in supply of jute bags had been managed by granting dilution for use of HDPE/PP bags to the tune of 7.01 lakh bales. Normally, supply of jute bags for Rabi season is required to be completed by April/May. In view of non-

operations of jute mills due to lockdown, Jute mills have been allowed to supply jute bags for the Rabi: 2020-21 season after stretching the time limit upto July/Aug, 2020.

(b) During pandemic period Jute Mills were allowed to produce self certification of their products of regular inspection.

(c) Office of the Jute Commissioner with the approval of Ministry of Textiles, allowed 100% release of payment of bills w.e.f. 1st July 2020 to 15th November, 2020. Earlier the payment was made to 90% of the bill and balance 10% payment was made after 60 days. This step was helped the jute mill to overcome the liquidity crisis during the pandemic period.

(d) Outstation Mills were allowed to produce their documents through e-mail. This facility was given to the jute mills from 24th April, 2020 to 16th February, 2021. Outstation Jute Mills had submitted scan copy of original documents like IW, CRC, RR, etc. along with their bills, so as to release expeditious payments to enable them to pay to the workers."

67. On being asked to furnish the details of Jute Export and imports both in terms of quantity and value during the last three fiscals, the Ministry furnished the following detailed information:

"The Exports of jute goods during the year 2017-18 to 2019-20 (last 3 fiscals) were as under:

(Quantity in '000' MT /Value Rs. in Crores)

Product	2017-18		2018-19		2019-20	
	Qty	Value	Qty	Value	Qty	Value
Hessian	86.9	917.24	64.1	802.70	56.3	758.42
Sacking	44.8	407.19	37.1	432.91	38.9	489.49
Yarn	17.0	130.19	13.6	109.42	14.1	117.91
JDPs	-	631.49	-	815.51	-	963.44
Total incl. Others	152.8	2158.56	121.7	2273.27	113.7	2423.84

Source: DGCI&S

The Exports of jute diversified products(JDPs) during the year 2017-18 to 2019-20 (last 3 fiscals) were as under:

Value: Rs. / Crore

Year	Jute Floor Covering	Hand Shopping Bags	& Wall Hanging	Gift Articles	Decorative Fabric	Total (incl. others)
2017 – 18	299.53	316.17	0.73	5.54	9.30	631.49
2018 – 19	371.04	430.03	0.65	7.03	6.29	815.51
2019 – 20	428.29	444.18	0.24	7.98	5.09	963.44

Source: DGCI&S, Kolkata

The Import of raw jute and jute products during the year 2017-18 to 2019-20 (3 fiscals) were as under :

(Quantity in'000'MT/Value in Rs. Crores)

Year	Raw Jute			Jute Products			Total Import Quantity	Total Import Value
	Qty	Value	Unit Value (Rs./M.T)	Qty	Value	Unit Value (Rs./M.T)		
2017-18	68.2	289.2	42405	115.9	880.3	75953	184.1	1169.5
2018-19	57.3	235.9	41169	129.2	951.9	73676	186.5	1187.8
2019-20	77.2	350.4	45389	162.6	1362.8	83813	239.8	1713.2

Source : DGCI&S, M/o Commerce"

v. Cotton Sector

68. The Cotton Corporation of India (CCI) has been nominated for undertaking minimum support price (MSP) operations in the event when prices of seed Cotton(Kapas) touch MSP level for procuring entire quantity of Kapas offered by the Cotton farmers in various APMC market yards at MSP rates and the losses if any incurred by nodal agencies in such operations are reimbursed by the Government.

69. Details of the amount allocated and utilised under procurement of Cotton for the last three years and BE provision for 2021-22 are as under:

(Rs. in crore)

Year	B.E	R.E	A.E
2018-19	Rs.924	Rs.924	Rs.924
2019-20	Rs.2,017.57	Rs.2,017.57	Rs.2017.57
2020-21	Rs.0.01	Rs. 865	Rs. 200
2021-22	Rs. 136.00	-	-

70. As would be seen from above, there has been substantial downward revision of B.E for the 2021-22 fiscal in comparison to the BE/RE of previous years. In this context, the Committee desired to know the reason for such reduction. In reply, the Ministry submitted as under:

"In the R.E 2020-2021, an amount of Rs. 13924.97 crore was sought for reimbursement of losses towards MSP operation of Cotton. Out of this, Rs. 12988.15 crore** was based on draft note for CCEA and Rs. 936.83 crore towards balance amount, out of the earlier approved amount by CCEA. A copy of the final approved note was sent to PMO in November 2020 for their comments/views. In response, PMO desired to conduct EFC based full fledged appraisal for this scheme by Department of Expenditure.

(**Rs. 322.15 crore actual expenditure upto 29.02.2020 and Rs. 12666 crore, anticipated expenditure upto 31.12.2021)

For the B.E 2021-22, an amount of Rs. 13924.98 crore was sought but only Rs. 136 crore has been allocated. The detail of amount approved by CCEA and allocated for the last five years is attached as under:

Financial Year	MSP Losses approved by CCEA			MSP Losses reimbursed as per allocation of budget provision		
	CCI	MSCCGMFL	Total	CCI	MSCCGMFL	Total
2015-16	2400.00	104.25	2504.25	259.60	-	259.60
2016-17	1261.75	1.85	1263.60	602.75	7.00	609.75
2017-18	-	-	-	99.00	3.68	102.68
2018-19	-	-	-	911.96	12.04	924.00
2019-20	998.79	62.22	1061.01	1850.40	145.60	1996.00
2020-21	-	-	-	200.00	-	200.00
Total	4660.54	168.32	4828.86	3923.71*	168.32	4092.03

Balance amount of Rs. 736.83 crore (Rs. 4828.86 – 4092.03) will be released after receipt through Re-appropriation order for R.E. 2020-21.

71. On being asked whether the Actual Utilisation i.e. Rs. 200 crore during 2020-21 had a bearing on the lower allocation during 2021-22, the Ministry apprised as under:

"Considering the pendency of balance approved amount of Rs. 936.83 crore, an amount of Rs. 865 crore, was allocated in R.E. 2020-21, but only Rs. 200 crore provided which has been released in December 2020."

72. Further asked about the extent to which it would adversely impact the Cotton Sector. In reply, the Ministry stated as under:

"Minimum Support Price (MSP) scheme is a market intervention scheme which assures the cotton farmers to get MSP announced by the Government of India for their produce. In case, CCI is not able to undertake MSP operations, it may cause distress among the cotton farmers. Further, farmers being price sensitive, may switch over to other crops which may impact the demand and supply of cotton in the country.

As a result, it will impact the competitiveness of Indian Textiles Industry in production of yarn, fabrics and ultimate finished products in the form of garments, made ups and knitwear which contributes about 14 per cent to industrial production; 4 per cent to the country's gross domestic product (GDP); 17 per cent to its export earnings; and is a source of direct employment for over 35 million people."

73. On being asked to furnish the State-wise details of procurement of cotton and amount disbursed under the scheme during the last 3 years, the Ministry furnish the following statement:

"Statement showing state-wise details of procurement of cotton and amount disbursed to farmers during last three years is as under:

State	Crop Year 2020-21*				Crop year 2019-20				Crop year 2018-19			
	Procurement under MSP		Value of Purchases / Amount Disbursed under MSP (Rs. in Crores)	No. of farmers' benefitted (in lakhs)	Procurement under MSP		Value of Purchases / Amount Disbursed under MSP (Rs. in Crores)	No. of farmers' benefitted (in lakhs)	Procurement under MSP		Value of Purchases / Amount Disbursed under MSP (Rs. in Crores)	No. of farmers' benefitted (in lakhs)
	Qty. in lakh Bales	Qty in lakhs Qntls			Qty. in lakh Bales	Qty in lakhs Qntls			Qty. in lakh Bales	Qty in lakhs Qntls		
Punjab	5.38	28.25	1528.79	1.03	3.56	18.51	964.82	0.70	-	-	-	-
Haryana	10.52	55.23	2996.57	1.83	6.23	32.39	1688.26	1.25	-	-	-	-
Rajasthan	9.11	47.83	2586.20	1.51	3.76	19.54	1018.31	0.75	-	-	-	-
Gujarat	4.14	21.74	1203.06	0.84	11.05	57.47	2995.73	2.30	0.08	0.40	22.24	0.019
Maharashtra	17.48	91.77	4981.48	4.02	26.26	136.57	7118.84	5.40	1.96	9.80	544.99	0.423
MP	4.42	23.21	1232.89	1.00	4.42	23.01	1199.36	0.90	0.51	2.55	141.81	0.172
Telangana	33.69	176.87	10122.69	7.70	41.80	217.38	11330.75	8.60	7.77	38.85	2160.50	1.678
AP	3.41	17.90	1039.45	0.42	2.69	13.97	728.10	0.55	0.05	0.25	13.90	0.016
Karnataka	1.26	6.62	358.81	0.20	3.49	18.14	945.80	0.70	0.08	0.4	22.24	0.017
Orissa	1.99	10.45	606.67	0.37	1.61	8.35	435.46	0.30	0.25	1.25	69.51	0.054
West Bengal	0.00	0.00	0.00	0.00	0.000	0.00	0.00	0.00	0.001	0.008	0.41	0.0003
Tamil Nadu	0.00	0.00	0.00	0.00	0.275	1.43	74.67	0.06	0.003	0.013	0.70	0.0005
Total	91.40	479.85	26656.61	18.92	105.15	546.76	28500.10	21.50	10.70	53.52	2976.32	2.38

*Position as on 15.02.2021

74. The Committee then desired to know the measures taken to ensure adequate availability of cotton for domestic consumption in the Textile Industry. In reply, the Ministry submitted as under:

"With government's various efforts, production of cotton in India has improved significantly during the past decades and now, India is the largest producer of cotton at 6.31 million metric tons which is 26% of world cotton production. India grows all four species of cultivated cotton *Gossypium Arboreum* and *Gossypium Herbaceum* (Asian cotton), *Gossypium Barbadense* (Egyptian cotton) and *Gossypium Hirsutum* (American Upland cotton). As a result, all varieties of cotton are available to the domestic textile industry with-in the Country.

India is the net cotton surplus country wherein production is more than its consumption. It provides the raw material security to the domestic textile industry and helps in stabilizing the prices of cotton in the Country. Statement showing domestic cotton balance sheet for last three cotton seasons as finalized by Committee on Cotton Production and Consumption (COCP) in its last meeting held on 25th January 2021 is as under:

(Quantity in lakh bales of 170kgs)

Particulars	17-18	18-19	19-20(P)*	20-21(P)*
SUPPLY				
Opening stock	43.76	42.91	56.52	120.95
Crop (Production)	370.00	333.00	365.00	371.00

Imports	15.80	35.37	15.50	11.00
Total Supply	429.56	411.28	437.02	502.95
DEMAND				
Mill Consumption	280.11	270.78	233.70	286.00
S.S.I Consumption	26.18	22.43	20.33	26.00
Non Textile Consumption	12.77	18.00	15.00	18.00
Total consumption	319.06	311.21	269.03	330.00
Exports	67.59	43.55	47.04	75.00
Total Demand	386.65	354.76	316.07	405.00
Closing Stock	42.91	56.52	120.95	97.95

Source: Committee on Cotton Production and Consumption (COCP) P-Provisional

75. Asked to state the steps taken to make Indian Cotton competitive at par with its counterparts in other Countries, the Ministry submitted as under:

"Steps taken in order to make Indian Cotton competitive are as under:

(a) Digitalized moisture meters, micronnaire testers and portable ginning machines have been provided to all procurement centres, so that on the one hand farmers get right price for their produce based on scientific assessment of their quality at spot under MSP and textile industry gets good quality cotton to be more competitive in the international market.

(b) Quality norms have been prescribed for ginning and pressing factories to produce better quality of cotton as per parameters fixed for lint %, shortages, trash% and packing quality of bales to ensure supply of good quality cotton procured under MSP to the Textile Industry.

(c) Realizing the need for achieving a special place for Indian cotton in the international arena and to ensure production of assured quality bales, Branding of Indian cotton was initiated by Ministry of Textiles for the first time at national level for quality consciousness and building image of Indian cotton at Global level. In this endeavor, Brand name and logo for Indian cotton was launched on 7th October 2020 on the occasion of World Cotton Day as "KASTURI COTTON INDIA" to attain the objective of making India Atmanirbhar and vocal for local in the field of cotton.

(d) For the benefits of Textile Mills in the Country, CCI is offering lock-in period facility wherein mills can buy cotton bales in e-auction and lock-in cotton prices from the date of contract for 30 days without any charge. Lock-in period may increase upto 60 days & 90 days at a nominal lock-in charges of Rs. 250/- per bale and Rs. 500/- per bales respectively."

76. On being asked whether any specific incentives were provided to encourage farmers to increase the quality and production of cotton especially during Covid-19 Pandemic, the Ministry replied in negative.

77. The Committee then enquired about the constraints faced in effective implementation of Schemes under Cotton Sector during the last fiscal due to Covid-19 Pandemic. In reply, the Ministry submitted as under:

"The COVID-19 pandemic had a great impact on the world economy. The lockdown caused by the COVID-19 pandemic in India and across the globe from mid-March 2020 had created an unprecedented crisis. This undoubtedly had a very serious impact on the Indian cotton textiles and clothing industry, thereby affecting cotton demand. As a result, market prices of cotton were ruling below MSP rates and to procure cotton in pandemic situation was really a challenge to protect the cotton farmers from distress sales."

78. As regards measures taken to support the cotton farmers during the Covid-19 Pandemic, the Ministry submitted as under:

During Global Pandemic lockdown period i.e. April 2020 to September 2020, when there were no buyers of farmers' cotton, CCI was undertaking MSP operations to protect the interest of the cotton farmers in the country and to avoid the eventuality of distress sale by them. With this intervention, CCI procured 20.72 lakh bales valuing Rs. 5615 crore from four lakh cotton farmers' at around 300 procurement centres across the country. CCI intervention during pandemic situation safeguard the cotton farmers from exploitation by the private buyers.

79. During the oral evidence in response to a pointed query relating to the losses under CCI head, the representative of the Ministry deposed as under:

"Sir, if the figure of the procurement is seen, then there is no need to make the procurement every year because it is necessary to see how much the government increases the MSP and secondly, see how the market is. We are at MSP if we buy, but at market price. This time, those who are making the purchase are buying a third of the total production. The process of selling it is very transparent. It is not that only e-auction brings transparency. Whatever shortfall has to be done, the government has to consult it because CCI is doing it with the direction of the government. Similar is the process of FCI ...

... Sir, major component banks have interest in loss. Right now we are giving them the money of 2014-15. For five years, they have to pay interest, so their loss increases ...

... Sir, if the money is given first on the basis of the estimated loss, then there would be savings as far as interest is concerned. By the time the purchase is over, it will be sold, it will be audited, it takes so long that the interest is greatly increased, which the government has to pay."

80. The Committee asked whether 'loss' would be the appropriate word. In reply, the Ministry submitted as under:

"It is suggested that instead of "MSP losses on cotton" for conducting MSP operations, "Support for cotton under MSP operation" can be considered to sustain the interest of farmers in cotton cultivation in the country."

81. Asked to state the steps taken to reduce burden on Government in cotton procurement, the Ministry submitted as under:

"It has always been endeavour of CCI to reduce burden on Government on account of MSP operations. To achieve this objective, CCI is selling MSP stock through a very robust e-auction portal to fetch most competitive market driven price of its stock to mitigate MSP loses. Besides this, the major component of MSP loss is interest paid to banks on outstanding MSP losses. In case MSP losses are reimbursed timely, MSP losses can be minimised to large extent."

82. On being asked about engagement of more personnel by CCI during peak procurement, the Ministry submitted as follows:

"Presently, CCI has overall staff strength of 757 personnel, out of which 282 are field officials. During 2019-20, CCI has appointed 16 field officials and recruitment process for additional 50 field officials is in process. Depending upon the pace of MSP procurement, CCI will ensure to engage more personnel through outsourcing agency in such a way so that MSP procurement is not affected. As regards MSP procurement in the state of Tamilnadu, kapas prices are ruling much above MSP rates, hence CCI intervention is not required. CCI officials intervenes as and when kapas prices of FAQ grade falls below MSP level. However, CCI will deploy adequate manpower for MSP procurement in the month of June –July, in case kapas prices falls below MSP level so that farmers may not face problem in selling their produce."

83. The Committee then enquired whether the CCI sale rates should be determined in a scientific manner. In reply, the Ministry submitted as under:

"Cotton is a price sensitive commodity and its price fluctuates on day to day basis due to various factors. Therefore, CCI has fair and transparent system of sale of FP bales through independent e-auction portal. Corporation has established itself as a dependable supplier of quality cotton and assured supply irrespective of market fluctuations. The floor rates for various varieties and grades are fixed daily by a high level committee consisting of Board Level Officers, CGM (Mktg), CGM (Fin.), GM (Pur.), GM (Mktg). While deciding the floor rates, the Price Fixation Committee takes into consideration the following factors:

- (i) The various branches collect market feed back and report market rates to Head office for different varieties and grades of cotton on day to day basis
- (ii) Head office also collect the rates quoted by Cotton Association of India (CAI), MCX, Punjab cotton rates bulletin.
- (iii) The compiled domestic market rates of six days are placed before the Price Fixation Committee.

- (iv) The price trend in the International market i.e. Cotlook Index, ICE futures etc. along with the impact of the international cotton prices on domestic cotton prices and rates obtained in previous days e-auction.
- (v) Cotton Demand & Supply position in the market.
- (vi) The price trend in international market and other cotton related development on globe are also given due weightage in deciding the floor rates.

Having considered the above aspects, the Price Fixation Committee decides the floor price for the day in respect of various varieties and grades. The floor price so decided are placed on the website of the Corporation and subsequently placed in the e-auction platform. Those buyers who are registered with the Corporation are able to participate in the e-auction for bidding."

84. Asked to state steps taken in coordination with the Ministry of Agriculture to improve the quality of cotton, the Ministry submitted as under:

"Meetings have been held by the Ministry of Textiles with the officials of Ministry of Agriculture to chalk out the action for improvement of the quality of cotton. The Department of Agriculture, Cooperation & Farmers Welfare is implementing Cotton development programme under National Food Security Mission-Commercial Crops in 15 major cotton growing states, with an aim for enhancing production and productivity. Under this scheme, thrust has been given on transfer of technology through frontline demonstrations and training in order to extend benefits to the farmers. ICAR- Central Cotton Research Institute, Nagpur and ICAR-All India Coordinated Research Project on Cotton are involved in development of improved varieties/hybrids, production and protection technologies to increase the production and productivity of cotton for the benefit of farmers. ICAR has identified and released 22 high yielding Bt cotton hybrids.

Ministry of Textiles has formulated a Committee on Cotton Production and Consumption (COCPC). The committee finalizes the estimate of data on production, supply, demand, export and prepare cotton balance sheet. The committee is chaired by the Textile Commissioner and also mandated for availability of certified/quality seeds of cotton and issues thereof. The compositions of COCPC and Stakeholders is attached. Further, CCI has also taken the following initiatives:-

- (i) Provided hand held kapas plucker machines along with training to the farmers in various cotton growing states. Use of hand held kapas plucker machine reduce cost of production by dependency on labour, avoid contamination at farm level, improve the quality of cotton and thereby higher financial returns to cotton farmers.
- (ii) Developed a mobile app, "Cott-Ally" for cotton farmers wherein latest news regarding weather condition, Crop situation, best farm practices etc. are available in regional languages which gives real time information to the farmers.
- (iii) Strictly adhering to procure the Fair Average Quality (FAQ) grade cotton by scientific assessment of staple length, micronaire and moisture contents at spot by using modern equipments viz, digitalized moisture meters, micronaire testers and portable ginning machines. This system ensures that on the one hand farmers get right price

for their produce based on scientific assessment of their quality at spot under MSP and textile industry gets good quality cotton to be more competitive in the international market.

- (iv) Gives preference to star rated modernized ginning and pressing factories for processing of kapas to ensure production of good quality lint cotton bales with lesser trash & contamination.
- (v) Stringent quality norms have been prescribed for ginning and pressing factories to give better quality of cotton as per parameters fixed for lint realization%, shortages, trash% and packing quality of bales to ensure supply of good quality cotton to the Textile Industry.
- (vi) Branding of Indian cotton was initiated by Ministry of Textiles for the first time at national level for quality consciousness and building image of Indian cotton at Global level. Brand name and logo for Indian cotton was launched on 7th October 2020 on the occasion of World Cotton Day as "KASTURI COTTON INDIA" to attain the objective of making India Atmanirbhar and vocal for local in the field of cotton."

vi. Sericulture

85. The financial allocation and actual utilisation towards Sericulture for the last three years and the BE for the current year are as follows:

(Rs. in crore)

Year	BE	RE	Actual expenditure
2018-19	510.61	600.61	598.70
2019-20	740	765.45	785.56
2020-21	810	650	635.32 (as on 15.02.2021)
2021-22	876	--	--

86. Asked to state the measures taken/proposed to ensure optimal utilisation of Rs. 876 crore as allocated during BE 2021-22, the Ministry submitted as under:

"The ongoing Central Sector Scheme "Silk Samagra: is proposed to be continued during next five years 2021-22 to 2025-26 coterminous with the fifteenth finance commission period. For the year 2021-22 which is being the first year of the project period, out of the BE of Rs. 876.00 crore, Rs.501.67 crore is the administrative committed expenditure and balance amount of Rs.374.56 crore is proposed towards Scheme Development cost. The Silk Samagra Scheme is proposed to be implemented with an objective to make India Atma-Nirbhar in production of import substitute international grade bivoltine silk. During the year 2021-22, it is proposed to;

- (a) Increase the Silk production from the level of 34,100 MTs anticipated during 2020-21 to 39,500 MTs by end of 2021-22 (Additional raw silk production of 5400 MTs.)
- (b) Production of Bivoltine Silk from 7,200 MTs to 8,500 MTs. (Additional production of 1,300 MTs to bring the import to bare minimum)
- (c) Vanya (Muga, Eri and Tasar) Silk to increase from 10,100 MTs in 2020-21 to 11,750 MTs during 2021-22.

- (d) Increase the production of 4A grade mulberry (Bivoltine) Silk from 15 % to 25% of total Bivoltine silk.
- (e) Productivity to increase from 65 Kgs / 100 DFLs to 70 Kgs / 100 DFLs.
- (f) The productivity of mulberry raw Silk to be increased from 108 kg/ha to 109 kg/ha.
- (g) Employment generation from anticipated achievement of 92.00 lakh to 96.30 lakh persons by 2021-22 (additional employment to 4.30 lakh persons).
- (h) Farmers income expected to increase by 20-30 % as a result of switching from Cross Breed to Bivoltine.
- (i) Promotion of market driven silk products under brand "Indian Silk".

The activities/ programmes under Silk Samagra have been proposed to achieve the above set targets during 2021-22. The major activities proposed to be taken up during 2021-22 are: (i) to carry out 35 new and conclude 34 Research and Development (R & D) Projects besides continuation of 99 on-going projects & programmes in 9 Main Research Institutes in Mulberry, Tasar, Muga & Eri and PCT, (ii) to produce 484.00 lakh disease free layings (basic and commercial seed), (iii) to sell 27.0 lakh silk mark labels, (iv) to cover 260 authorized users and (iv) organize 550 number of programmes /exhibitions /road shows besides (v) establishing 4 cocoon testing and 2 raw silk testing centre.

Under Silk Samagra scheme, it is proposed to undertake following activities;

- (a) Providing flexibility in technology intervention support to small farmers
- (b) R&D in Vanya silk sector, with focus on Muga silks
- (c) Taking Eri silk production in other than N-E states
- (d) Seri-by products utilization and non-textiles applications
- (e) Support to Sericulture Farmer Producer Organizations comprising small farmers for employment growth and increasing income level.
- (f) Focus on North East for integrated production approach in project mode for skilling, employment and growth through market linkages.
- (g) Use of IT application for technology dissemination and market strengthening".

87. Further asked to state the recent developments and achievements made under Sericulture, the Ministry replied as under:

"The details of recent development / Key achievements under Silk Samagra (ISDSI) are as follows:

- (a) Patent obtained for 9 technology packages. Concluded 58 projects in 2019-20.
- (b) During the year 2020-21, a total of 24 new research projects have been initiated and 14 projects have been concluded till Dec., 2020 by various Research and Training institutes of CSB and currently a total of 103 research projects viz., 47 in Mulberry Sector, 28 in Vanya Sector, 15 in Post cocoon sector and 13 in specialized sectors (Germplasm, Seed science and Biotechnology) are under progress. At present, 16 projects are being carried out in collaboration with other reputed national Institutions like ICAR/CSIR/IITs/Universities.
- (c) International collaboration with different institutes has also been undertaken. A collaborative project with Swedish Research Council, Sweden and another project with Uzbekistan have been taken up.
- (d) MOU has been made with research institutions in Bulgaria, Japan and Uzbekistan for exchange of Genetic material for enhancing production, productivity and quality of silk.
- (e) The total raw silk production increased by 18.03% (35,820 MT) during 2019-20 over the year 2016-17(30,348 MT). The bivoltine raw silk production has reached 7,009 MT during 2019-20 by registering 33% growth over 5,266 MT in 2016-17. During, 2020-21(up to Dec), the total raw silk production has reached 24,029 MT which includes 4,556 MT of superior quality Bivoltine raw silk and anticipated to achieve 34,100 MT by March 2021.
- (f) Raw silk yield per hectare has increased to 108 kg during 2019-20 compared to 96 kg during 2014-15
- (g) 13,498 persons trained during 2019-20 and 2819 persons during 2020-21 (upto Dec) under various programmes organized by the Research & Training Institutes of CSB
- (h) Developed a general disinfectant, NIRMOOL for disinfection of silkworm rearing house and appliances.
- (i) Developed molecular markers (py1 & py2) to assess humidity tolerance in silkworm.
- (j) Developed & verified a new technology for egg enhancement in Bivoltine hybrids.
- (k) Developed transgenic silkworms for resistance/tolerance against pathogens.
- (l) Total Seed production has reached to 479.67 Lakhs during 2019-20 and 332.43 lakhs dfls (both mulberry and Vanya) have been produced upto January, 2021.
- (m) Under Quality Certification Systems / Brand Promotion, 280 Members enrolled, 29.71 lakhs Silk Mark labels distributed & 549 programmes/events/expos/road shows organized in 2019-20. During 2020-21 (Up-to Jan), 17.47 silk mark labels distributed, 192 members enrolled and 185 programmes/events /road shows organized and the set targets will be achieved."

88. The physical targets and achievements of Sericulture during 2020-21 are as follows:

Sl. No.	Name of Scheme	Target	Physical Achievement
1.	New Projects to be initiated	50	22
2.	Capacity Building and Training under CSB Schemes	13225	2819
3.	Cocoon and Raw Silk Centers	6	-
4.	Programmes/Events/Expo/Roadshow to be organised	240	168
5.	Production of basic and commercial seeds for Mulberry, Tasar, Muga	475.21	243.02

89. Asked to state the reasons for shortfalls in achievement of physical targets under Silk Samagra during 2020-21, the Ministry apprised as under:

"The pandemic covid-19 has affected the Sericulture Industry too. While the progress on R&D activities were not affected as the R&D activities were continued by the Institutes, the implementation of beneficiary schemes at State level were affected. As a result, of the targeted production of 39,000 MT of raw silk, 24029 MT has been produced upto December 2020 (including 4556 MT of import substitute Bivoltine raw silk) and anticipated to achieve 34100 MT (87.4%) by end of March 2021. The shortfall in the silk production is mainly due to severe corona virus pandemic prevailing in the country. It adversely affected the entire silk industry. Due to working capital and cash flow problems, there has been significant fall in demand, loss in production, crash in cocoon and raw silk prices, etc. The situation is expected to be normal by next financial year 2021-22.

In so far as utilization of budget allocation is concerned, as against BE of Rs.800.00 crore for 2020-21, the RE was approved to Rs.650.00 crore, a reduction of Rs.150.00 crore. The budget for developmental scheme has also been reduced from Rs.254.00 crore to Rs.211.70 crore (i.e., reduction of 42.30 crore). However, the fund was effectively utilized as per approved action plan to carry out regular mandated R&D activities. Besides, a significant amount of Rs.127.81 crore (i.e., more than 60% of the developmental scheme allocation) has already been released/spent (upto Dec. 2021) to support the beneficiaries as field level interventions support to sustain the activities in post covid situation. It is to be mentioned that the Administrative cost of the budget is meant for salary, wages and pension, which are committed in nature and will be fully utilized. Hence the utilization of budget is justified. Under Capacity building as against the target of 13225, 5944 persons have been trained upto December. Due to pandemic covid-19, the training programmes could not be undertaken as per schedule. Moreover as per DoPT guidelines, the training programme started from September 2020 onwards. A shortfall of about 10% is anticipated in achievement. Against a target of 475.21 lakhs dfls production, 332.43 lakhs dfls

(both mulberry and Vanya) have been produced up to January, 2021 and expected to achieve the target by March, 2021."

90. Regarding measures taken for coordination with the Ministry of Environment and Forests for promotion of Silk, the Ministry apprised as under:

"Central Silk Board has initiated action in this regard. A meeting (through VC) was held on 2nd June 2020 at 3.00 p.m between the officials of the Ministry of Environment, Forest and Climate Change, Ministry of Textiles and Central Silk Board (CSB). CSB has provided all the required information as detailed below to Ministry of Environment MoEF&CC for considering issue of necessary guidelines to all the concerned as continuation of the provisions under Forest (Conservation) Act 1980 as per D.O. No.2-1/2003-FC(Pt-III) dt. 7.6.2004.

- (i) Detailed proposal with valid and cogent justification for inclusion of *Lagerstroemia speciosa* (Jarul) as host plant of tasar and *Litsea salicifolia* (Dighloti) & *Litsea cubeba* (Mejankari) as host plants of Muga silkworm in the guidelines issued for promotion of vanya silk cultivation in the country.
- (ii) Justification to consider suitability of tree based cultivation of mulberry, *Morus alba* and *Morus multicaulis* as part of mixed forestry crops for mulberry silk cultivation.
- (iii) List of potential districts for vanya silkworm rearing and
- (iv) Suggestions/ prescriptions for treatment of Forest areas having tasar host plants (arjun, asan, *L. speciosa* etc.) for considering inclusion in working plan of the identified Forest Divisions to ensure effective utilization of forest flora for tasar cultivation, within the provisions of FC Act.

CSB further requested Minister of Environment, Forest and Climate Change vide letter No. CSB/31/2(MoEF&CC)/2020-21/PFAE dated 5.8.2020 for issue of necessary directives/ guidelines for-

- (a) Issue of necessary directives on inclusion of species of vanya silkworms and also *Morus alba* and *Morus multicaulis* (Mulberry) as part of mixed forestry crops.
- (b) Suitable amendment in Working Plan Code of 2014 on inclusion of sericulture based activities in the prescription of Working Plan with suitable advisory to the State Forest Departments
- (c) To issue directive to the State Forest Authorities on inclusion of sericulture based livelihood generation activity in their Annual Plan of Operations (APOs) by utilizing funds available under CAMPA so as to create tree based livelihoods through sericulture.
- (d) Sought copy of the guidelines under National CAMPA and one model project sanctioned under National CAMPA to facilitate CSB to formulate special projects/pilot schemes on these lines seeking financial support from National CAMPA fund.

As requested by the MoEF&CC, CSB is under process of finalizing the detailed specific proposal, which would be submitted within first week of March 2021 for consideration by MoEF&CC for issue of necessary guidelines for seri-forestry convergence."

91. The Committee then asked whether the CSB had done any research on production of Lotus Silk. In reply, the Ministry stated that Lotus Silk was not the silk reared by silk worm and it was a plant material (cellulose). Therefore, CSB has not done any research on Lotus Silk.

92. The Committee then queried whether any skill training programme has been initiated for the youth especially in North Eastern States on process of extracting fibre from lotus stems. The Ministry replied in negative.

93. Asked about the measures taken to attract more youth towards Sericulture, the Ministry stated as under:

"Measures taken by CSB to attract more youth towards sericulture are.

- (a) Need based training programmes are organized with focus on skill seeding and skill up-gradation in silk sector so as to create employment opportunities (mostly self-employment) for the new entrants and also to increase in income level of the existing entrepreneurs by adapting improved package of practices. New initiatives are also being taken to undertake training programme in silk industry under SAMARTH.
- (b) For self-employment to youth in pre-cocoon sector (mulberry, tasar, eri & muga), support is provided starting from plantation to cocoon harvesting and marketing.
- (c) Under self-empowerment, support is also provided to set up Door to Door service agents, CRCs, Private Seed production, ARMs, Multi-end Reeling units, Improved Vanya reeling/spinning machines etc.,
- (d) Under the Silk Samagra scheme SHGs /Farmers Producers Organization are being promoted to encourage youth as industry partner in profit sharing."

94. The Committee then asked the extent to which the Sericulture Industry in India is competitive with its counterparts across the World. In reply, the Ministry submitted as under:

- a) India has a long history and tradition of production, consumption and trade of silk by developing its own weave and texture, which are very popular all over the world. Further, India has several natural advantages in silk production on account of the availability of huge human resources, abundant weaving and designing skills, less cost of production and existence of diverse agro-climatic conditions.
- b) With the 35820 MT raw silk production, India is the second largest producer in the world. India is the only country producing all five varieties of silk namely, mulberry, oak tasar, tropical tasar, eri and muga silks. India is the lone

producer of appreciable quantities of non-mulberry silk. India is the largest consumer of the silk and the demand for silk is increasing over the years.

- c) Though many countries produce silk across the world, China and India only produce appreciable quantity of raw silk. China and India together account for about 95.7% of the global raw silk production of 1,09,111 MT during 2019 as shown in the table below. The silk production in China is also reducing in the recent years due to fast industrialization and increase in labour wages. The silk production in other countries are also not expanding fast enough to supply for the global requirement of silk. This situation puts India in an advantageous position against other silk producing countries.

Table: Global silk production during 2017-2019

Countries	Raw silk production (MT)		
	2017	2018	2019
China	142000	120000	68600
India	31906	35468	35820
Uzbekistan	1200	1800	2037
Vietnam	520	680	795
Thailand	680	680	700
Brazil	600	650	469
North Korea	365	350	370
Iran	120	110	227
Others	116	117	93
Total	177507	159855	109111

95. On perusal of the documents it has been observed that the CSB has involved various State Departments/ Organisations/ Units in their programmes primarily in East and North Eastern regions. In this context, the Committee asked about measures taken by CSB to enhance the development of Sericulture in these regions. In reply, the Ministry submitted as under:

"In order to promote the sericulture activities in North-Eastern region, CSB has proposed allocation of Rs. 230 Crores for next five years towards implementation of specific need based projects for the region. In addition, provision of Rs. 154.85 Crores for meeting the future expenses of the on-going NERTPS projects. Besides, the new scheme components to support beneficiaries (outlay of Rs. 1050 Crores) would be implemented for sericulture development through bundle of packages."

96. Asked to furnish the details of exports and imports of Silk products for the last 3 years, the Ministry furnished the following detailed information:

"Silk Exports:

As India has the largest silk consuming market in the world and inadequate production to cater to the domestic demand for silk, it does not have adequate export surplus to play a dominant role in the international trade in silk. However, India is one of the leading players in the global silk trade. India primarily exports

finished goods such as silk fabrics, made-ups and readymade garments, which account for about 85% of the total export earnings. The USA, the UAE and the European Union are the major destination of silk exports. Silk exports from India increased from Rs. 1649.48 crores in 2017-18 to Rs. 2031.88 crores in 2018-19 but declined to Rs. 1745.65 crores as indicated in the table below:

Table: Export earnings from silk during 2017-18 to 2020-21 (Up to December 21)
(Value: CroreRs.)

Items	2017-18	2018-19	2019-20	2020-21 (P) (Apr – Dec)
Cocoons	0.05	0.01	-	-
Raw Silk	0.00	1.36	1.15	0.57
Natural Silk Yarn	15.61	23.34	15.62	5.18
Fabrics, Made-ups	864.81	1022.43	982.91	326.64
Readymade Garments	650.48	742.27	504.23	454.22
Silk Carpets	17.34	113.09	143.43	131.96
Silk waste	101.19	129.38	98.31	112.30
Total	1649.48	2031.88	1745.65	1030.87

Silk Imports

As the domestic silk production is not able to suffice the requirement of the industry needs, India has to import about 3,000 MT of raw silk every year. Thus raw silk remains as a major item of imports, which accounts for about 74.84% of the total value of silk imports. The other items being imported are silk fabrics and made-ups. India imports raw silk mainly from China. However, the raw silk imports from Vietnam has been increasing in the recent years taking advantage of FTA. The silk imports reduced from Rs. 1652.39 crores in 2017-18 to Rs. 1535.72 crores in 2019-20.

Table: India's silk imports during 2017-18 to 2020-21 (Up to December 21)
(Value: Crore Rs.)

Items	2017-18	2018-19	2019-20	2020-21 (P) (Apr – Dec)
Raw Silk	1218.14	1041.40	1149.32	351.03
Silk Yarn	111.85	114.26	102.07	33.98
Fabrics, Made-ups	292.77	249.85	236.91	78.86
Readymade Garments	17.41	55.55	27.93	13.98
Silk Carpets	0.23	0.03	1.45	2.46
Silk waste	11.99	36.37	18.04	2.95
Total	1652.39	1497.46	1535.72	483.26

vii. Amended Technology Upgradation Fund Scheme (A-TUFS)

97. The financial allocation and utilisation under A-TUFS during the last three years and the BE for 2021-22 are as follows:

(Rs. in Crore)

Year	BE	RE	Actual Expenditure
2018-19	2,300	622.63	615.68
2019-20	700	494.37	317.90
2020-21	761.90	545	432.14 (as on 15.02.2021)
2021-22	700	-	-

98. Asked to state the reasons for reduction in BE 2021-22 in comparison to BE of 2020-21 under A-TUFS and the extent to which this reduction in BE 2021-22 would likely to affect the implementation of the Scheme, the Ministry submitted as under:

"Under the ATUFS, the budget allocation is utilized for disbursing subsidy for the new sanctions issued since January, 2016 and also for meeting the committed liability of previous versions of TUFS (MTUFS, RTUFS and RRTUFS). Substantial outlay of the scheme was allocated for the previous versions of TUFS. Under the new sanctions subsidy is released after physical inspection of machinery installed by the claimant unit. During the initial 3 years, the pace of disbursement of subsidy was less on account of large number of objections reported in the claims. Upon streamlining of the procedure under the scheme and issuance of delegation of financials powers to O/o Textiles Commissioner, the settlement of claims have been improved substantially. However, in view of the maximum ceiling of subsidy fixed for individual entities under ATUFS, the subsidy claim per individual entity is less compared to the average subsidy released under previous versions of TUFS under which interest reimbursement and capital subsidy were provided.

In so far the claims under previous versions of TUFS, which were completely bank-led schemes, the claims of the banks were earlier honored without any physical verification. However, Inter Ministerial Steering Committee (IMSC) under the scheme in its meeting held on 27th February 2019 had decided that release of balance committed liability against previous versions will be subject to physical inspection of machinery by a Joint Inspection Team (JIT) upon upload basic documents in the online system by the banks. Initially, there were delays in upload of requisite documents by the banks leading to delay in carrying out inspection. Significantly, after physical verification and computation of subsidy, recovery had to be ordered in majority of the cases where ineligible subsidy had been availed by the entities. Even though the pace of subsidy claims getting settled have been increased, less outgo of funds is resulted on account of large amount of recovery.

As such, taking into account the current trend of disbursement, Rs. 700 crore under BE 2021-22 seems to be sufficient. In case of additional requirement, more funds will be sought for during supplementary demands after reviewing the requirement."

99. The Committee then desired to know the reasons for shortfalls in expenditure during 2020-21. In reply, the Ministry apprised as under:

"In 2020-21 due to outbreak of COVID -19 pandemic, no JIT inspections could be conducted in the first two quarters. Moreover, officials were deployed for monitoring of production of PPE kits on daily basis which hampered the processing and releasing of subsidy under the scheme. With improvement in pandemic situation, JIT inspections are gearing up now and it is expected that RE (2020-21) will be utilized fully. It may be noted that despite the constraints of COVID-19 pandemic, Rs.432.14 crore have been utilized as on 15.02.2021 as against the actual expenditure of Rs.317.90 crore during 2019-20."

100. The Committee desired to know the extent to which A-TUFS has benefitted the textile industry in increasing investment, employment generation and incentivise production in Garments units as well as Made-Up sector since its inception. In reply, the Ministry submitted as under:

"Considering the potential for generation of employment, higher subsidy of 15% has been provided for Garmenting & Made-Up segment under ATUFS. A total of 1264 applications have been registered and issued UIDs covering a projected investment of Rs.2636 crore and subsidy value of Rs. 260.14 crore under these segments with a potential employment generation of about 83300 across the country. The support provided for technology up-gradation in the segment has in turn benefitted the industry in improving its productivity and scaling up of operations."

101. The Committee then desired to know the number of textile units upgraded year wise and State wise under this scheme during last three years details. In reply the Ministry submitted as under:

"Year-wise and State-wise details of no. of Application/cases registered and issued with UIDs (Technology up gradation expected) in the last 3 years is given below-

State	2018 - 19	2019 - 20	2020 - 21
Andhra Pradesh	2	5	4
Assam	1		
Bihar	1		
Chattisgarh	1		2
Dadra & Nagar	20	47	16
Daman & Diu	4	9	4
Delhi	5	11	1
Gujarat	1273	1581	542
Haryana	69	85	56
Himachal Pradesh	1	10	2
Jharkhand		5	1
Karnataka	23	37	8
Kerala	2	5	
Madhya Pradesh	12	30	12
Maharashtra	290	461	134

Orissa		1	
Punjab	218	195	63
Rajasthan	63	72	31
Tamil Nadu	187	254	108
Telangana	3	11	2
Uttar Pradesh	41	69	19
Uttaranchal	2	4	1
West Bengal	23	42	23
Grand Total	2241	2934	1029

102. The Committee enquired about the measures taken for ensuring optimum utilisation of funds under TUFs. In reply, the Ministry stated as under:

"During the initial years of ATUFs, even though physical inspections were held under the new sanctions, the final settlement of claims were delayed due to large number of objections reported on account of lack of sufficient documents/information to be submitted by the claimant units. Based on the extensive discussions held with the stakeholders, the guidelines of the scheme revised and issued on 02.08.2018 with a view to implement and end-to-end online solution (iTUFs) under the scheme for ease of implementation and monitoring. Several check points such as issuance of UID after registration of application, Machine Identification Code (MIC), field verification by Joint Inspection Teams (JIT) etc have been built into the scheme architecture to ensure subsidy is being released to eligible beneficiaries.

The online system has been equipped with robust monitoring mechanism such as geo tagging, digital signature, auto-generation of UID, digital signature for submitting applications etc. The iTUFs platform is now equipped to capture the complete life cycle of the subsidy processing on real time basis. The committed liability data of previous versions of TUFs has also been migrated to the system. The transition to IT platform has resulted in ease of implementation and concurrent monitoring of the scheme. Segment wise data including that on investment and employment is captured in the system. Additionally, several measures have also been taken during 2018-19 and 2019-20 to streamline the procedure under the scheme and to improve transparency with speedy settlement of claims, as given below:

- a. Delegation of powers to different levels of officers in the office of Textiles Commissioner
- b. Online tracking of claims/clarification
- c. Geo tagging of assets
- d. Organizing outreach camp in the major city clusters by the Regional Offices of Textile Commissioner for resolving the queries across the table.
- e. Re-distribution of Cases among the Regional offices of Textile Commissioner for speedy disposal according to workload.
- f. Setting up of Camp office at PSC, Surat to expedite disposal of pending TUFs related works.

In addition, in order to overcome the catastrophic impact of COVID-19 pandemic, a special measure has been provided to the industry for liquidity outflow during by release of part subsidy against Bank Guarantee prior to process of the claims."

103. The Committee enquired about the status of settlement of previous years' subsidies which were pending due to the requirement of physical inspection of machinery procured under TUFs. In reply, the Ministry submitted as under:

"As per scheme guidelines of ATUFs, Capital Investment Subsidy (CIS) is released after verification of the machinery installed by the industry and computation of subsidy based on the claim/documents submitted by the units. During the first 3 years, although Joint Inspections of the installed machinery were conducted in respect of the new sanctions under ATUFs, the final settlement of claims and release of subsidy was very less on account of large number cases were getting objected due deficiency in supporting documents submitted by the units. Various discussions have also been held with stakeholders in order to streamline the process under the scheme to ensure speedy disposal of the cases. Accordingly, the guidelines were modified on 02.08.2018 to make iTUFs portal an end to end solution with features like Automatic UID generation, submission of documents through digital signature, geo-tagged and time stamped photographs, claim tracking facility and direct release of subsidy to beneficiary unit account through PFMS. Further, during 2019, various measures such as delegation of financial powers, streamlining of procedures, issuance of policy clarifications etc. were also taken to improve the pace of settlement of claims and ensuring transparency in the processes. The above measures resulted in significant improvement in conduct of physical inspections of machinery and settlement of the claims under ATUFs during 2019-20 and 2020-21, as evident from the below table:

FY	No. of inspections conducted	No. of cases settled
2016-17	24	1
2017-18	224	28
2018-19	1007	436
2019-20	2251	1007
2020-21(till 15.02.2021)	2362	1948

Under the joint physical inspections ordered in 2019 under the cases of previous versions of TUFs (MTUFs, RTUFs & RRTUFs), there was a considerable delay in upload of requisite basic documents by the banks/lending agencies for carrying out the verification. The delay on part of Lending agencies/banks in submission of requisite documents resulted delay in conducting inspections of machinery. In addition, on account of restrictions of COVID-19 pandemic, no inspection could be carried in first two quarters of current financial year. Now, with the improvement of pandemic situation and attaining normalcy in operations by the industry, the physical inspection will be carried out for settling the pending cases."

104. The Committee then desired to know the extent to which the Covid-19 Pandemic has affected the effective implementation of TUFSS during 2020-21. In reply, the Ministry stated as under:

"Outbreak of COVID-19 pandemic has severely hampered the implementation of the scheme since no JIT inspections could be conducted in the first two quarters of the current financial year. Moreover, officials were deployed for monitoring of production of PPE kits on daily basis which severely affected the processing and releasing of subsidy under the scheme."

105. On being asked to state the measures taken for effective implementation of the ATUFS during the 2021-22 fiscal, the Ministry replied as under:

"Despite the constrains and restrictions of COVID-19 pandemic, all out efforts were made to process the subsidy claims for final settlement during the current financial year. Some of the below mentioned measures will be continued during 2021-22 towards effective implementation of the scheme:

- a. Financial vetting of claims by retired audit /account officers engaged for the purpose
- b. Holding clearance cum outreach camps in major textile hubs facilitating submission of documents /clarification by the units
- c. Claims redistribution from Regional Offices with more workload to Regional Offices having less workload for early scrutiny and processing
- d. Holding of Technical Advisory cum Monitoring Committee (TAMC)/ Internal Technical Committee (ITC) meetings frequently for policy matters/ enlistment of machinery manufacturers respectively.
- e. Set up a camp office in Surat parallel to RO Ahmedabad for speedy disposal of cases."

viii. SAMARTH/Integrated Skill Development Scheme (ISDS)

106. Details of funds allocated and utilised under SAMARTH (ISDS) are as under:

(Rs. in crore)

Year	B.E	R.E	A.E
2018-19	Rs.200	Rs.42	Rs.16.99
2019-20	Rs.100.50	Rs.102.10	Rs.72.06
2020-21	Rs.150	Rs. 80	Rs. 57.78 (as on 17.02.2021)
2021-22	Rs. 100	--	--

107. As would be seen from the above, there has been under utilisation of funds under the Scheme during last three years and also curtailment of allocation during the RE Stage. In this regard, the Committee asked to be apprised of the reasons for curtailment of funds at RE stage and under utilisation of allocated funds alongwith the remedial steps/measures taken. In reply, the Ministry submitted as under:

"The scheme guidelines were issued in April, 2018. However, RFP process initiated to empanel private implementing partners (textile industry, training institutions, NGOs, and Societies) in May, 2018 had to be cancelled to further streamline the process/ procedure to address certain concerns noticed during evaluation of the proposals received in response to the RFP. Further, the implementation framework had been reviewed and it was decided to implement the training programme only through State Government Agencies, Sectoral Organizations of Ministry, Textile Industry units and Industry Associations. An end-to-end online web based MIS was developed for implementation and monitoring of the training programme under the scheme. As such, owing to the process carried out in streamlining the processes under the scheme, there has been no quantifiable physical achievement of skilling during the initial two years.

Further, upon streamlining the procedures, State Governments have been allocated in-principle training target of 3.6 lakh beneficiaries for conducting training programme in traditional and organized sectors. Sectoral Organizations of Ministry (DC-Handlooms, DC-Handicrafts, CSB & National Jute Board) have been allocated a training target of 43,000 beneficiaries for skilling/up-skilling in traditional sectors. The process of empanelling industry/industry associations for undertaking industry oriented entry level skilling and upskilling programmes in the organized sectors had been initiated through RFP process. Upon evaluation of the proposals and physical verification of training centres, a total of 76 industries/ industry associations have been empanelled and allocated a training target of 1.36 lakh beneficiaries for entry level skilling. Based on the demand from the industry, a proposal for empanelling industries/ industry associations for undertaking up-skilling/ re-skilling of existing workers was floated, against which 62 proposals had been received. A total of 44 industry/industry associations have been empanelled after physical verification of training centres and allocated a training target of 30,326 beneficiaries. A training target of 34,572 has been allocated through a separate RFP process for Industry Associations working with MSME textile industry. Another process of empanelling of industry / industry associations to allocate training target under technical textile segment courses is also progressing. Further, broad-basing of panel of implementing partners and allocation of training target are also progressing. Now, training of 3.3 lakh target allocated after physical verification of training centres is progressing at various stages.

However, it is to be noted that the COVID-19 pandemic has resulted catastrophic impact on textile industry. Significant time and efforts of the implementing partners have been lost due to the COVID-19 pandemic and all batches ongoing during March, 2020 had to be cancelled. M/o Home Affairs has allowed commencement of skill development training programme only from mid-September, 2020. Effectively, no programme could be conducted for six months from March to August, 2020. The implementing partners took significant time in resuming/ commencing the training programme during post lock down period due to the time taken for normalizing the operations in the industry and also to owing to various reasons including loss of business, contraction of orders, reverse migration of workers etc.

More than 30% of the beneficiaries were dropped out after commencement of batches due to COVID-19 related issues. Majority of the

implementing partners were not in a position to undertake the training programme during the first 3 quarters of financial year or seeking more time to commence the programme owing to restrictions prevail locally. In view of the impact of COVID-19, the actual physical achievement and utilization of funds have been affected under the scheme; however there is a substantial increase the candidate registration and training of candidates in later half of 3rd quarter and 4th quarter. Now, with the improvement of the pandemic situation and operations getting resumed by the industry, the skilling programme under the scheme is slowly progressing and is expected to pick up the momentum during 2021-22. "

108. The Committee asked whether the B.E of Rs.100 crore for the current fiscal would be sufficient for effective implementation of Scheme. In reply, the Ministry stated as under:

"It may be mentioned that due to the restrictions of COVID-19, the skill development programmes under Samarth has been significantly affected during the current financial year. Now, with the improvement of the pandemic situation and operations getting resumed by the industry, the skilling programme under the scheme is slowly progressing and is expected to pick up the momentum during 2021-22. The projection of fund requirement has been made according to the expected trend of improvement in training programme by the textile industry during FY 2021-22. More requirement of funds will be reviewed based on the progress of implementation and accordingly additional funds will be sought under supplementary demands."

109. Asked to state the monitoring mechanism evolved to ensure the quality of skill training imparted to the youth under SAMARTH Scheme, the Ministry submitted as under:

"The following monitoring measures have been adopted in the ongoing scheme:

- (a) A Project Management Unit (PMU), as provided in the scheme guidelines has been set up to assist Ministry in implementation and day to day monitoring of the training programme under the scheme.
- (b) Textile committee has been appointed as Resource support agency as quality arm for aligning with NSQF, conducting skill gap analysis, infrastructure requirement and other training aspects
- (c) A web based centralized Management Information System (MIS) giving interface to all stakeholders has been operationalized for ease of monitoring of implementation of the training programme.
- (d) The entire process of empanelling of implementing partners including physical verification using mobile app with geo-tagged/time-stamped photographs of the training facility is a major feature of the MIS. Aadhar based enrolment has been made mandatory to avoid duplication and Aadhaar Enabled Biometric attendance of trainees is captured mandatorily during the training cycle.
- (e) Third party assessment of trainees after training is mandatory across the scheme. QR code enabled e-certificates are issued to the passed out

- trainees facilitating verification of the credentials of trainees by prospective employer using QR code scanner.
- (f) Video recording of training programme and assessment are mandatory.
 - (g) Random physical verification / video call verification of live training centres is carried out for ensuring quality of the training programme
 - (h) Resources Support Agency conducts surprise visits during the process of assessment by assessment agencies
 - (i) Random telephonic calls are made to trainees through dedicated Call Centre set up for the programme during training and post training to ensure authenticity."

110. The Committee then desired to be apprised of the State-wise details of trained persons under SAMARTH and their placement after completion of training during the last three fiscals. In reply, the Ministry submitted as under:

"A robust centralized web based Management information system (MIS) is in place for monitoring and Implementation of the scheme in which complete training life cycle of the Samarth Training program is captured with details of the candidates, functioning of training, assessment, placement, post placement etc. The entire process of empanelling of implementing partners including physical verification using mobile app with geo-tagged/time-stamped photographs of the training facility is a major feature of the MIS. Aadhar based enrolment has been made mandatory to avoid duplication and Aadhaar Enabled Biometric attendance of trainees is captured mandatorily during the training cycle.

Owing to the process carried out in streamlining the procedure under the scheme, there has been no quantifiable physical achievement of skilling during the initial two years. The training programme was significantly affected on account of COVID-19 pandemic since March, 2020 and no training programme could be conducted during March- August, 2020. The implementing partners took significant time in resuming/ commencing the training programme during post lock down period due to the time taken for normalizing the operations in the industry and also to owing to various reasons including loss of business, contraction of orders, reverse migration of workers etc. Upon relaxing the restrictions for skill development by the Government, since September, 2020, training of 3.3 lakh target allocated after physical verification of training centres is progressing at various stages. Details of progress of implementation of training programme is as below:-

S. No.	State	Enrolled Candidates	Trained Candidates
1	ANDHRA PRADESH	1359	319
2	ARUNACHAL PRADESH	32	0
3	ASSAM	909	126
4	BIHAR	557	105
5	CHHATTISGARH	478	156
6	DAMAN & DIU	1142	161
7	DELHI	587	155
8	GUJARAT	2427	548
9	HARYANA	2336	727
10	HIMACHAL PRADESH	32	28
11	JAMMU AND KASHMIR	237	30

12	JHARKHAND	778	168
13	KARNATAKA	13734	1868
14	KERALA	619	102
15	MADHYA PRADESH	1106	243
16	MAHARASHTRA	3287	685
17	MANIPUR	639	162
18	MEGHALAYA	43	0
19	MIZORAM	250	11
20	NAGALAND	461	94
21	ODISHA	823	189
22	PUDUCHERRY	32	28
23	PUNJAB	289	69
24	RAJASTHAN	1379	549
25	SIKKIM	47	0
26	TAMIL NADU	10579	2548
27	TELANGANA	1759	361
28	TRIPURA	145	76
29	UTTAR PRADESH	10612	909
30	UTTARAKHAND	211	59
31	WEST BENGAL	381	128
	Total	57270	10604**

** upto 17.02.2021

111. On perusal of the documents, it observed that targets set under the SAMARTH Scheme have never been achieved for last three years. In this regard, the Committee desired to know the action plan prepared to achieve the targets during the 2021-22 fiscal. In reply, the Ministry submitted as under:

"State Governments have been allocated in-principle training target of 3.6 lakh beneficiaries for conducting training programme in traditional and organized sectors. Sectoral Organizations of Ministry (DC-Handlooms, DC-Handicrafts, CSB & National Jute Board) have been allocated a training target of 43,000 beneficiaries for skilling/up-skilling in traditional sectors. A total of 76 industries/ industry associations have been empanelled through RFP process and allocated a training target of 1.36 lakh beneficiaries for entry level skilling. A total of 44 industry/industry associations have been empanelled and allocated a training target of 30,326 beneficiaries. A training target of 34,572 has been allocated through a separate RFP process for Industry Associations working with MSME textile industry. Another process of empanelling of industry / industry associations to allocate training target under technical textile segment courses is also progressing. Further, broad-basing of panel of implementing partners and allocation of training target are also progressing.

The COVID-19 pandemic has significantly affected the scheme implementation. The implementing partners took significant time in resuming/commencing the training programme during post lock down period due to the time taken for normalizing the operations in the industry and also to owing to various reasons including loss of business, contraction of orders, reverse migration of workers etc. Upon relaxing the restrictions for skill development by the Government, since September, 2020, training of 3.3 lakh target allocated after physical verification of training centres is progressing at various stages. Now, with the improvement of the pandemic situation and operations getting

resumed by the industry, the skilling programme under the scheme is slowly progressing and is expected to pick up the momentum during 2021-22. It has been proposed to extend SAMARTH scheme for 2 years beyond 31.03.2021 to make up time taken for streamlining the processes during the initial years of implementation and also the time lost during the COVID-19 pandemic."

112. It is further observed that the Covid-19 Pandemic made a catastrophic impact on the Textile Sector including training centres as due to this Pandemic the training partners had to cancel their ongoing batches and later on the implementing partners of SAMARTH Scheme took significant time in resuming/commencing the training programme during unlock period. The Committee asked about the lessons learnt/ experience gained during the Pandemic time that could help Textile Industry to deal with such scenarios in future. In reply, the Ministry submitted as under:

"All ongoing training batches during March, 2020 had to be cancelled due to COVID-19 pandemic and restriction imposed on account of lockdown declared by the Government. Further, the Government had allowed commencement of skill development training programme only from September, 2020. In view of the impact of COVID-19, the actual physical achievement and utilization of funds have been affected under the scheme. However, a special measure has been initiated during the period to carry out online Training of Trainers (ToT) programme and more than 700 trainers have been certified through online mode. The above measure was found to be very successful in engaging the trainers during pandemic period. The possibility of providing online interface for theory part of the training programme will be explored in consultation with the implementing partners and textile industry."

113. As regards identification of Trainees under SAMARTH Scheme, the Ministry submitted as under:

"The information on the SAMARTH Scheme to provide skilling and skill up-gradation in the field of handlooms is disseminated to the potential beneficiaries through field offices of the states, Handloom weavers co-operative societies, Producer Companies, etc. during camps (Chaupal/National Handloom Day/International Women's Day etc.) and also during the field visit of officials of the Weavers' Service Centres. The applications of the willing and interested beneficiaries are collected through their producing organizations or directly. The eligible trainees possessing Aadhaar are selected in batches as per the conditions of the courses aligned with National Skill Qualification Framework (NSQF). Preference is given to the marginalized social groups such as SC/ST, women etc. The trainings are conducted in various handloom pockets across the country. In so far as the training programme conducted by textile industry, they have recruitment mechanism for workers which also includes Rozgar Melas/Job fairs etc."

114. The Committee then enquired about possible collaboration with NSDC for implementation of SAMARTH. In reply, the Ministry submitted as under:

"The matter will be discussed with NSDC. It may be noted that the overall framework for implementation including costing of the skilling programmes under SAMARTH is in alignment with the broad policy framework for skill development viz. Common Norms, National Skills Qualifications Frameworks (NSQF) etc. adopted by Ministry of Skill Development & Entrepreneurship (MSDE)."

115. On being asked to conduct skill development programmes under Samarth at locations where industry is located, the Ministry apprised as under:

"Samarth has been formulated as a demand driven placement oriented skilling programme to meet the skilled manpower requirement of textile industry. Skill development training programme for mainstream sector courses under the scheme is implemented completely through textile industry and textile industry associations. Majorly these programmes are carried out in the training centres within the industry premises after validation of the requisite infrastructure through physical verification. So far a total of 126 textile industry/ industry associations have been allocated a training target of more than 2 lakh beneficiaries under the scheme."

116. Asked about training for cotton farmers under Samarth for quality improvement. In reply, the Ministry stated as under:

"The matter is already under consideration and a course on "Kapas Plucker Machine Operator" has since been developed and aligned with NSQF. The Cotton Corporation of India will be assigned the responsibility of conducting training programme in the suggested area."

117. Further asked about training for toy making under SAMARTH, the Ministry submitted as under:

"The matter will be taken up with respective sectoral organization (O/o DC-Handicrafts) for developing courses in toy making."

118. As regards the specific efforts made for training programmes under SAMARTH during Covid-19, the Ministry submitted as under:

- "A special provision for online Training of Trainers (ToT) programme has been operationalized and more than 700 trainers engaged through online mode
- More than 15 virtual meetings were organized with implementing partner to discuss and sought out issues concerning to conduct of training programme. The continuous interaction facilitated commencement/ resumption of training programme upon relaxing the restriction for skill development by the Government in September, 2020. Additions of more training centres were also allowed to enhance the training programme.
- More than 400 training centres were physically verified during July to November, 2020 for commencement of training programme"

ix. Wool Sector:

119. For the holistic growth of the wool sector, Ministry of Textiles, formulated a new integrated programme i.e. Integrated Wool Development Programme, (IWDP) which has been approved by Standing Finance Committee in its meeting held on 23-03-2017. The programme has been designed for growth of wool sector by including essential requirement of all stakeholders viz. formation of cooperatives of wool growers, machine sheep shearing, strengthening of wool marketing/wool processing/woollen product manufacturing. Focus has been made in certification, labelling, branding of pashmina wool and utilization of deccani wool in industrial products through research and development activity. The Hon'ble Prime Minister has announced a programme for the development of Pashmina sector in UT of J. & K. and UT of Ladakh with allocation of Rs. 50 crore. The programme has been incorporated under IWDP in the name of Reconstruction Plan for UT of J&K and UT of Ladakh.

120. Asked about the Status of development of Wool sector in Ladakh, the Ministry submitted as under:

"Since 2017-18 targeted approach towards further development of Pashmina Sector was undertaken through a new scheme i.e. Reconstruction plan of UT of J&K and UT of Ladakh with a budget of Rupees 50 crores. A state of art de-hairing plant and ancillary machinery costing 19.75 has been sanctioned for Leh under this scheme, for which tendering is on."

121. The Committee asked whether any data of wool weaver Cooperative Societies in the Country was maintained. The Ministry replied in negative.

122. The Committee then enquired whether there could be a tie-up with wool Cooperative Societies to get good quality wool. In reply, the Ministry submitted as under:

"Central Wool Development Board, Ministry of Textiles does not form wool co-operatives on its own. However, under the wool sector schemes, there is a provision to provide financial assistance to state /Central Govt. organizations for formation of sheep breeders/wool grower's co-operative societies. Advantage of formation of such societies will increase bargaining power, better rate for graded wool."

123. The Committee enquired about reasons for allocation of low Budget i.e. only 16.50 crores to wool sector. In reply, the Ministry submitted as under:

"FY 2021-22 being the first year of next five years Plan (i.e. 2021-22 to 2025-26) and modified Wool Sector Scheme i.e. 'Integrated Wool Development Programme' (IWDP) would be continued with deletion of some activities related

to animal husbandry activities like Health Care of sheep (Vaccination, medicines, treatment etc.), Angora Wool Development and Sheep Breeders Insurance and some activities of pashmina wool scheme.

Beside above, since being the first year of new wool sector scheme, the approved schemes will be circulated to all Central/State Govt. Implementing Agencies for inviting project proposals. After receiving the projects, necessary approval from Technical Committee/Executive Committee will be sought. There after, the 1st installment along with sanction order would be issued. Since all this is time consuming process, the initial year Budget Estimate (BE) for FY 2021-22 has been kept accordingly. The BE for the subsequent FY would increase as per progress of the ongoing and new projects."

124. The Committee asked whether there were any plans to tie-up with wool federation or society. In reply, the Ministry submitted as under:

"The CWDB implements various components of the scheme ie. Integrated Wool Development Programme (IWDP) through Govt. agencies of wool growing States. However, the State Govts are free to implement the components of the scheme through their various agencies/organisations."

V. OTHER PROGRAMMES/PROJECTS/ISSUES

i. Export Promotion

125. The year-wise details of India's textile and apparel as well as handicraft exports for the last 3 Financial Years i.e 2018-19 onwards both in terms of value and quality alongwith details of the percentage share of each category of exports in the Textiles and Clothing (T&C) Sector, the following detailed information was furnished:

Details of textile and apparel as well as handicraft exports for the last 3 FYs is as follows:

(USD Million)				
Commodity	2018-19	2019-20	2020-21 (April 2020-December 2020)	% share
Readymade Garment	16,138	15,488	8,202	41%
Cotton Textiles	12,405	10,263	7,411	37%
Man-made textiles	5,551	5,324	2,788	14%
Wool & Woolen textiles	222	181	78	0.4%
Silk Products	76	72	60	0.3%
Handloom Products	344	319	155	1%
Carpets	1,482	1,373	1,051	5%
Jute Products	340	357	262	1%
Total Textile & Clothing	36,558	33,377	20,006	
Handicrafts*	3,804	3,564	2,268	
Total T&A including Handicrafts	40,362	36,941	22,274	

Source: DGCIS(as per provisional data available till December 2020), *EPCH

Note: *Handicrafts data for FYs and April to December, 2020 is provisional provided by EPCH

126. The Committee then asked whether there was any increase in export of Textiles and Apparel (T&A) and Textiles and Clothing (T&C) in both value and percentage. In reply, the Ministry stated as under:

"No. There is a decrease of export of textiles and apparel by 19% (USD 4.6 bn) for the period from April, 2020 to December, 2020 as compared with the previous corresponding period. The main reasons are attributed to Covid-19 Pandemic."

127. Further asked to state the steps taken to ensure availability of adequate quantity of quality of raw material in the Country, the Ministry apprised as under:

"In order to ensure adequate availability of raw material in the country, Government has removed anti-dumping duty on PTA, a key raw material for the manufacture of MMF fibre and yarn. Government has also removed anti-dumping duty on acrylic fibre, raw material for yarn and knitwear industry. This Ministry has recommended to D/o Revenue for removal of ADD on Viscose Staple Fibre (VSF), VSF is a key raw material for production of Viscose Staple Yarn (VSY) and removal of ADD on VSF will leverage the capacity of viscose textile value chain by creating a level playing field and improve the export competitiveness. This Ministry has also recommended to D/o Revenue non-imposition of ADD on Nylon Filament Yarn (NFY) being raw material for the knitting and weaving industry. Hon'ble Finance Minister in Union Budget 2020-21 announced in her speech as under:

"The Textiles Sector generates employment and contributes significantly to the economy. There is a need to rationalize duties on raw material inputs to manmade textiles. We are now bringing nylon chain on par with polyester and other manmade fibres. We are uniformly reducing the BCD rates on caprolactam, nylon chips and nylon fibre and yarn to 5%. This will help the textile industry, MSMEs and exports to."

128. The Committee then desired to know the extent to which the Covid-19 Pandemic has affected the supply of raw material to the Textile Industry. In reply, the Ministry stated as under:

"COVID-19 pandemic has been one of its unique kind. The pandemic triggered havoc across global economies and disrupted supply chain globally. Due to COVID-19 pandemic the borders were sealed and travel restrictions were imposed in various countries. Hence, there was a disruption in movement of goods, services and individuals. The textiles sector has also been severely impacted by the COVID-19 pandemic."

129. The Committee enquired about the key driving factors that would help/boost the Indian Textile and Apparel Market to compete with its counterpart markets especially during the unprecedented situation of complete lockdown arising out of Covid-19 Pandemic. The Committee also asked the Ministry to furnish the details of most popular

products exported and imported during the Covid-19 Pandemic. In reply, the Ministry submitted as under:

The details are as under :-

- (i) The Government of India announced a special economic and comprehensive package viz. AatmaNirbhar Bharat package for boosting economy of the country and making India self-reliant. Relief and credit support measures have been announced for various sectors including MSMEs.
- (ii) During the COVID crisis, this Ministry was able to create a new Personal Protective Equipment (PPE) industry in the country which was earlier imported 100%. This industry created a huge number of jobs during the crisis. Today, India is exporting PPE to other countries.
- (iii) In order to bail out the textile sector from the severe consequences of COVID-19, Ministry of Textiles has conducted a Symposium with Textile Export Promotion Councils and other industry stakeholders for finalizing a list of potential export products against which exports of textile and apparel can be enhanced. The list of potential export products were shared with the Indian Mission abroad for identification of potential buyers in the respective countries.
- (iv) To mitigate the effect of the COVID-19 pandemic on trade, this Ministry took up the various trade facilitation related issues raised by the industry stakeholders from time to time with the concerned Ministries for early redressal.
- (v) Details of product most exported and most imported during the Covid-19 pandemic is as follows:

Most exported product	RMG Cotton Incl Accessories	USD 4.97 bn
Most imported product	Manmade yarn, fabrics, made-ups	USD 1.11 bn

Source: DGCIS (as per provisional Principal Commodity-wise data available from January 2020 to December 2020)

130. Asked to state the main challenges faced by the Indian Textile and Apparel Industry to compete with its counterparts and steps taken to bolster the performance of Indian Textile Industry in global market, the Ministry submitted as under:

"The details are as under :-

- (i) India is losing out to its competitors in the EU market due to differential tariff rates. Differential duty applied on India's exports to EU market is upto 9.6% whereas it is zero percent for our competitors like Bangladesh, Turkey, Cambodia and Pakistan.
- (ii) Bangladesh has larger scale of operation than India.
- (iii) As compared with Bangladesh, India has higher labour costs and power cost as shown in table below:

Cost element	India	Bangladesh
Monthly minimum wages (in USD)	116-209	65

Power cost in US cents per KWH 10-12	9-12
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Source: Report of high level Advisory Group, DoC

- (iv) Further, logistic is one of the major constraints with Indian exporters. The turnaround time (from order to delivery) is 50 days for Bangladesh and 63 days for India. Time taken to reach port is 1 day for Bangladesh and 7-10 days for India. (Source: HLAG Report, DoC)."

131. The Committee then asked whether any research on various stages of value chain of the Indian Textile and Apparel Industry has been done. The Ministry replied in negative.

132. Asked to state the steps taken to address the issues of inverted tax structure and anti-dumping duty that have severely impacted the development of MMF. The Ministry replied as under:

"With regard to inverted duty structure in MMF, it is informed that the matter of implementation of a uniform tax structure for the MMF value chain (from feedstock to fabric) was already referred to Ministry of Finance to correct inversion in duty structure and to further inform that Hon'ble Finance Minister in Union Budget 2020-21 announced in her speech as under:

'The Textiles Sector generates employment and contributes significantly to the economy. There is a need to rationalize duties on raw material inputs to manmade textiles. We are now bringing nylon chain on par with polyester and other manmade fibres. We are uniformly reducing the BCD rates on caprolactam, nylon chips and nylon fibre and yarn to 5%. This will help the textile industry, MSMEs and exports too.'

In order to ensure adequate availability of raw material in the country, Government has removed anti-dumping duty on PTA, a key raw material for the manufacture of MMF fibre and yarn. Government has also removed anti-dumping duty on acrylic fibre, raw material for yarn and knitwear industry. This Ministry has recommended to D/o Revenue for removal of ADD on Viscose Staple Fibre (VSF), VSF is a key raw material for production of Viscose Staple Yarn (VSY) and removal of ADD on VSF will leverage the capacity of viscose textile value chain by creating a level playing field and improve the export competitiveness. This Ministry has also recommended to D/o Revenue non-imposition of ADD on Nylon Filament Yarn (NFY) being raw material for the knitting and weaving industry."

ii. **National Technical Textile Mission (NTTM)**

133. The Government of India, with a view to position the Country as a global leader in Technical Textiles and increase the use of technical textile in domestic market, has approved creation of National Technical Textiles Mission (NTTM) with a total outlay of Rs. 1,480 crore with four years implementation period from FY 2020-21 to 2023-24. The Mission has four components viz. Research, Innovation and Development; Promotion and Market Development; Export Promotion; and Education, Training & Skill

Development. In this regard, the Committee desired to know the details of Budget allocated and utilised under NTTM during 2020-21 and Budget Estimate during 2021-22 and whether the amount of Budget allocated under NTTM during 2020-21 was fully utilised. In reply, the Ministry submitted as under:

"No funds were allotted under NTTM in the Budget estimate in FY 2020-21. However, Rs.15 crores was earmarked at RE stage.

Rs. 15 crores shall be utilised as research proposals have already been received and are under scrutiny/ examination at the appropriate level."

134. The year-wise projected expenditure under NTTM from 2020-21 to 2023-24 was stated to be as under:

The projected expenditure under NTTM for 4 years are as under:-

Financial year	Projections (Rs. In crs)
2020-21	15
2021-22	100*
2022-23	750
2023-24	615
*Initial projection. Additional funds will be sought during supplementary Demands for Grants depending upon the progress	

135. Asked to state the provisions under NTTM to address the knowledge gap in technical textiles in India, the Ministry submitted as follows:

"Component-IV (Education, Training, and Skilling in Technical Textiles): aims at imparting advanced technical education and skilling in technical textiles, catering to the manufacture as well as the application areas. The target group for this component are:

- (a) under-graduate students in engineering, medicine, design, agriculture, aquaculture, sports & lifestyle, fashion technology,
- (b) unskilled persons prior to their employment in technical textiles manufacturing units,
- (c) upskilling/reskilling of already employed technical manpower for skill level categories 5 and above, and
- (d) training and skilling of personnel employed in all application areas of technical textiles e.g. paramedics, agricultural, railways/roadways employees etc.

The detailed curriculum, course material, methodology for education, training, and skilling are being worked out in consultation with Department of Higher Education, Department of Agricultural Research & Education, Department of Health Research etc. "

136. In response to a specific query regarding production of PPE kits and N-95 masks during the Covid-19 Pandemic, the Ministry apprised as under:

- (a) "The technology concerning personal protective equipment of Class-3 exposure was developed through a collaborative approach between Non-woven manufacturers, garmenting units and Textiles Research Associations. The various stakeholders shared each other's experience in a virtual platform and helped each other in resolving technical issues.
- (b) The participants in this movement were mostly from Indian garmenting industry, most of whom had no earlier experience in making PPEs. However, the Industry, accepted this challenge to success even under the stringent lockdown environment. Scale was built up from 5000 in first week of April to 4.5 Lakhs by mid-May, indicates the technological capability and competence of Indian textiles.
- (c) In the beginning, there was only one laboratory with a capacity to test 15 garments per day. Soon after, 8 laboratories were ready in 2 months time, and finally there were 12 laboratories spread throughout the country having a total testing capacity of 150 garments per-day.
- (d) Government officers worked in a most unusual manner in becoming extraordinary facilitators contrary to the general perception of them being regulators. All these happened within the framework of established rules, with a high level of transparency in all decision making processes.
- (e) The Government, worked pro-actively with the Industry and resolved all their problems within the fastest possible time. Be it transportation of machineries and raw materials (including from abroad), sending test samples to laboratories, arranging payments in time, the Government was there ready to address all needs of the Industry.
- (f) Consistent quality was maintained throughout, without any compromise whatsoever. When manufacturers faced quality problems while trying to achieve scale, the MoT officials went out of their way in coordinating with all stakeholders and resolving their problems. Several rounds of technical webinars were coordinated to help manufacturers in understanding quality improvement methods. The message, however, was to supply PPEs which meet the standards and passes all required tests.
- (g) Total transparency through dissemination of information on test samples was maintained on official websites. A potential manufacturer was able to know the status of its test sample received at a laboratory and the results instantly. All information was available on-line and updated on day-to-day basis.
- (h) As a result of all these extra-ordinary measures India could stand out in fighting COVID-19 alone on its own without any dependence on other countries for medical protective textiles.

- (i) Not only India served its own domestic purpose, it opened its capacity to the world soon after the domestic need was sufficiently met. The exports were gradually opened up from July/August onwards and fully opened for exports by September 2020. Today, India stands as the second largest exporter of PPE Coveralls and N-95 Masks to the world.
- (j) India has so far produced more than 6 crore PPE Coveralls and exported 2 crore to countries including USA, Europe, Middle East and Africa, and Australia. Nearly 1100 enterprises got approval for manufacturing PPE, for a production capacity of 4.5 Lakh per day. Similarly, India has produced more than 15 crore N-95 Masks and exported 4 crore by November, 2020. The present capacity for N-95 production in India is 32 lakh per day with more than 200 manufacturers in the job.
- (k) No other country has created such a massive success story in PPE and N-95 mask during this pandemic. China already had a presence in PPEs in the international market which they scaled up to meet their domestic demand. Therefore, India stands out as a country of credibility. "

137. Asked to state the adequacy of raw materials for making PPE and N-95 masks, the Ministry responded as under:

"PPE Coveralls: Spun Bond Polypropylene fabric material laminated with polyurathene from the basic fabric for production of PPE Coveralls. The country has adequate capacity for production of this fabric to meet the manufacturing of 6 lakh Coveralls per day. This input material, required for PPE Coveralls during the pandemic has been entirely met through domestic production.

N-95 masks: Two types of fabrics materials are used for N-95 masks. Spun Bond polypropylene, a material adequately produced in India. Second, Meltblown fabrics, which forms the basic filtration media for the mask. The production capacity of Meltblown fabric in India is 7.7 metric tone which is adequate to meet the peak demand of N-95 and surgical mask requirement of the country. In order to conserve the Meltblown fabric for Mask manufacturing, the exports of Meltblown is under prohibited list of items since 19.3.2020"

138. On being asked about the recent research developments in Technical Textile Sector, the Ministry replied as under:

"After 15 rounds stakeholders consultation, 34 research areas have been identified. As of now, over 70 applications have been received and the same is under scrutiny at an appropriate level for finalization."

139. Asked to state the concrete measures taken for promotion and market development of technical textiles, the Ministry submitted as under:

- (a) "Notification of HSN (Harmonised System of Nomenclature) Codes: In keeping with the benefits of the stakeholder in mind, in January 2019, 207

HSN Codes have been classified and notified as technical textiles with a view for ease of doing business.

- (b) Mandatory use of Technical Textiles: With a view to derive the benefits of technical textiles in various fields of applications, currently Ninety Two (92) application areas have been identified for mandatory use across ten Central Ministries/Departments. So far, mandatory use notifications have been issued for 68 (sixty eight) applications.
- (c) Standardisation: Bureau of Indian Standards(BIS) has published IS standards for 377 technical textiles products currently.

In addition, under the Mission, specific promotion and market development initiatives will be worked out in consultation with the stakeholders."

140. The Committee enquired about the recent developments in imparting technical knowledge in technical textiles to the youth and also queried whether these trainings were at par with the developed Countries. In reply, the Ministry submitted as under:

"On request from the Industry, Ministry of Textiles has already included Six (6) additional courses for technical textiles in its Skill Development Programme (called Samarth). More action on this component are being planned for implementation until 2023-24. The results would be visible after a level of progress is achieved."

iii. **Mega Integrated Textile Region and Apparel Parks (MITRAS)**

141. As regards the MITRAS, the Ministry have furnished the following details :

"The biggest challenge faced by the textile sector is the size of production units, mostly MSMEs and fragmented manufacturing. Hence it lacks scale and size and makes textile sector globally uncompetitive and less productive and efficient The MITRA scheme aims to attract large investment and employment generation in the sector to further boost domestic manufacturing and to create world class infrastructure at one place with plug and play facilities. It will enable textile industry to achieve size and scale so as to become globally competitive and also create global champions in exports.

The MITRA will be of 1000+ acres of land free from any encroachments provided by state, special labour laws, uninterrupted power supply, water at the site, connectivity to major ports & highways, etc. MITRAS are in complete alignment and support PM's AatmaNirbhar Bharat Mission and its five pillars of Economy, Infrastructure, Technology, Demand and Demography. Development of MITRAS will help attract foreign investment in the textiles industry in India and strengthen domestic industry.

Ministry of Textiles proposes to set up 7 MITRAS in the country. Initial Phase: Develop Mega Textile Parks in (a) approved and under implementation NICDIC Nodes with ready trunk infrastructure and plug n play facilities; and (b) in new independent sites in the vicinity of NICDIC projects under consideration and implementation activities to be initiated by 2021.

The GOI support needed for the new , Greenfield sites will be Development Capital Support of Rs 500 crore per park, whereas for fully or partly developed Brownfield NICDC sites, capital support is only Rs. 200 crore per park. For other Brownfield project, for example Kakatiya Textile Park, Telangana the Gol capital support will be Rs 390 crores for textile specific infrastructure not developed as yet.

- NICDIC Sites: Fully developed sites in Dholera(Gujarat), Bidkin(Maharashtra)
- Upcoming NICDIC Sites (Krishnapatnam, Andhra Pradesh)
- Greenfield Sites (To be identified; tentatively Rajapura in Punjab, Viruddhnagar in Tamil Nadu, etc); Brownfield sites (for example Kakatiya Park)
- In addition, Rs. 300 crores per each MITRA, both Greenfield and Brownfield, as Competitiveness Incentivisation Support (CIS), in the form of grant to manufacturing units (with a cap per unit) to incentivise larger investments, economies of scale and employment by reducing key input costs of the manufacturing units such as power, water and steam and bring them in line with globally competitive benchmark rates.
- EFC held in December 2020 and thereafter draft Cabinet note submitted."

142. From the documents furnished, it has been observed that there would be a Government capital support of Rs. 390 crore for the Kaktiya Textile Park, Telangana. In this regard, the Committee enquired about the status of Gujarat's Dholera and Maharashtra's Bidkin Parks. In reply, the Ministry submitted as under:

"The Scheme for Mega Integrated Textile Park is envisaged to leverage the ecosystem and core infrastructure of certain existing industrial cluster and parks. The sites of National Industrial Corridor Development Corporation at Dholera and Bidkin are illustrative examples of such existing core infrastructure which can be leveraged. Similarly, brownfield projects can also be considered to reduce cost and time overrun. Kakatiya Textile Park is one such example.

However, after Cabinet approves the proposed scheme and decides the modalities, the details of location, financial structure and governance models etc. will be known. "

143. The Committee enquired about the plan to establish Mega Textile Park in National Capital Region (NCR). In reply, the Ministry submitted as under:

"Union Budget 2020-21 announcements include scheme of Mega Investment Textile Park. The proposed scheme is awaited for approval by the Cabinet. Therefore, the location, governance structure, financial support, etc. will be known after the approval of the modalities by the Cabinet."

144. During oral evidence, the Committee asked about the criteria being followed in setting up of seven Textile Parks for the next three years. In response, the representative of the Ministry deposed as under:

" Sir, land is a criterion, but apart from land, there are some criterias like power availability, water availability, connectivity etc. Some such sites are already in mind. They have not been finalized. As industrial corridors are developing, which are near the ports. Some sites are on our mind. They will be selected through a process. However, if required, we can place some budgetary provisions in the supplementary stage for initial activities. Since it has just been announced. Cabinet note is ready. If the cabinet gets approved, we will also put some budgetary provisions in the supplementary ...

... Sir, our target is to get the cabinet note in a month or two. After that a detailed guideline is being talked about, we have started working on it. According to the decision, the NITI Aayog and the rest of the people involved in it, we feel that within a period of three months both the cabinet note and the approval of guidelines should be there."

iv. National Textile Corporation (NTC)

145. Asked to furnish a brief note on the current status of working of NTC with special reference to physical targets set and achievements made during the last three years, the Ministry submitted as under:

"National Textile Corporation Limited, (NTC) is a schedule "A" public sector company under the ambit of Ministry of Textile, Government of India, engaged in production of yarn and fabric through its 23 mills in operation, located all over India with 7.68 lac spindles and 408 looms producing around 550 lac kgs of yarn and 200 lac meters of fabric per annum. NTC also manufactures garments through its JV Companies. In addition National Textile Corporation has well established retail network throughout the country with its 85 retail stores. The current employee strength is 10980. The present net worth of the NTC is Rs. 1192.14 crores Approx. (As on 30.09.2020) (Provisional).

NTC is on threshold of up-grading its technology in the operating mills and is looking forward to modernization, expansion, product diversification etc. Venturing into Technical Textiles – the sunrise sector of the future, transformation of its retail marketing outlets and enhancement of its Brand image are some of important current agenda of corporation.

Presently NTC is operating following 23 Textile Mills located throughout the country:

State	S. No	Name of the Mill	Location
Andhra Pradesh	1	TIRUPATHI COTTON MILLS	RENIGUNTA
Gujarat	2	RAJNAGAR MILLS	AHMEDABAD
Karnataka	3	NEW MINERVA MILS	HASSAN
Kerala	4	ALGAPPA TEXTILE MILLS	ALAGAPPANAGAR
Kerala	5	CANNANORE SPG.& WVG.MILLS	CANNANORE
Kerala	6	KERALA LAXMI MILLS	TRICHUR
Kerala	7	VIJAYAMOHINI MILLS	TRIVANDRUM

Madhya Pradesh	8	BURHANPUR TAPTI MILLS	BURHANPUR
Madhya Pradesh	9	NEW BHOPAL TEXTILE MILLS	BHOPAL
Maharashtra	10	PODAR MILLS	MUMBAI
Maharashtra	11	TATA MILLS	MUMBAI
Maharashtra	12	INDIA UNITED M ILL NO.5	MUMBAI
Maharashtra	13	BARSHI TEXTILE MILLS	BARSHI
Maharashtra	14	FINLAY MILLS	ACHALPUR
Mahe	15	CANNANORE SPG.& WVG.MILLS	MAHE
Tamil Nadu	16	PIONEER SPINNERS MILLS	KAMUDAKUDI
Tamil Nadu	17	KALEESWARAR MILLS 'B' UNIT	KALAYARKOIL
Tamil Nadu	18	CAMBODIA MILLS	COIMBATORE
Tamil Nadu	19	COIMBATORE MURUGAN MILLS	COIMBATORE
Tamil Nadu	20	PANKAJA MILLS	COIMBATORE
Tamil Nadu	21	SRI RANGAVILAS S.& W. MILLS	COIMBATORE
Tamil Nadu	22	COIMBATORE SPG & WVG MILLS	COIMBATORE
West Bengal	23	ARATI COTTON MILLS	DASS NAGAR

Current employees' strength of NTC is around 10980 with 63792 employees already left after availing MVRS since April, 2002. An amount of Rs. 2384.79 crores has been paid by way of compensation to these employees.

NTC has been able to achieve better physical performance both in yarn and cloth segments. The performance of NTC is improving and the achievements during present and few past years are presented below:

PRODUCTION

Product	2015-16	2016-17	2017-18	2018-19	2019-20* (Unaudited)
Yarn (Lakh Kg.)	562.02	521.95	527.81	505.95	410.84
Fabric (Lakh Mtrs)	190.34	201.81	191.58	190.06	88.88

CAPACITY UTILIZATION

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20* (Unaudited)
Capacity Utilization (%)	86.67	84.81	87.61	85.38	75.82

*Due to unfavourable market condition, the contribution generated from Yarn and Fabric was lesser compared to previous year coupled with accumulation of finished stock resulting in reduction in capacity utilisation and less production.

PRODUCTIVITY

Parameters	Unit	2015-16	2016-17	2017-18	2018-19	2019-20 (Unaudited)
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Cotton Productivity (40's converted)	GMS	91.78	93.05	93.17	93.28	94.77
Blend Productivity (40's converted)	GMS	93.78	94.84	95.89	96.66	99.21

TURNOVER

Parameters	Unit	2015-16	2016-17	2017-18	2018-19	2019-20 (Unaudited)
Revenue from operations	Rs. Cr.	1129.22	1168.50	1066.27	1081.85	869.22

PROFITABILITY

Parameters	Unit	2016-17*	2017-18	2018-19	2019-20
Profit before Tax	Rs. Cr.	969.38	-307.95	-310.22	-350.11
Profit after Tax	Rs. Cr.	969.38	-307.95	-310.22	-350.11

*2016-17 profit due to receipt of Transferrable development right."

146. The Committee desired to know the amount allocated and utilised by NTC during the last three years and whether the Budget allocated to NTC has been sufficient for effective operation of the Corporation. In reply, the Ministry submitted as under:

"No Grant has been provided by Ministry of Textiles during the last three years."

147. The Committee asked about the challenges faced in effective functioning of NTC and the measures taken to address those challenges. In reply, the Ministry stated as under:

"Details of challenges are faced in effective functioning of NTC and the measures taken to address those challenges are as under:-

Challenges faced in effective functioning of NTC

- **Low Modernization level:** Average modernization Index is less than 40% resulting in low machine productivity, high man power engagement, higher power cost and low quality of finished goods
- **Locational disadvantage:** Some of the mills are located in Metro cities and 'A' class cities incurring heavy losses due to Higher wage cost, Power cost and other over heads
- **Economy of Scale:** Size of most of the units is lower than Industry Standard which resulting in higher operational & Overhead cost
- **Absence of Forward integration & Value addition:** Absence of in-house processing and garmenting activity leads to low value end product.
- **Poor infrastructure facilities:** Due to inadequate infrastructure such as building condition, Humidification plant, material handling equipment's etc., the labour engagements are very high.
- **High worker turnover:** Due to higher worker turnover, there is engagement of more unskilled workers which increases wage cost

- **Use of outdated technology:** Manual winders, lap feed blow room, low productive machines etc. leads to high cost of production and low end finished product.
- **Low sales value per spindle per year:** In view of the above factors, the yarn sales value per spindle per year is on lower side.

Measures taken to address those challenges

- NTC has infused Rs. 28.56 crore in F.Y 2017-18, 2018-19 & 2019-20 to improve the modernization level and infrastructure facilities.
- To improve the power cost, NTC has implemented Energy conservation measures:
 - a. **Installation of Roof Top Solar panel** - Capacity of 780 KWP Grid connected Roof Top Solar panel is installed in two of the NTC mills which resulted in saving of Rs. 56.29 lakh on account of power bill in the FY 2019-20.
 - b. **Private Power purchase and Energy Conservation program**- With the several energy conservation program like installation of Invertors, Energy efficient motors, LED lights, etc. and through Private Power Purchase, NTC has saved Rs. 11.97 crore on account of power bill in the FY 2019-20.
- To improve workers skill level, NTC has implemented following schemes under Skill India Programme:-
 - a. **ISDS Scheme:** In order to create the technical skill development and job opportunity in the society NTC has taken initiative to impart technical training to the people under Integrated Skill Development Scheme in the year 2015 in 10 working units. 2898 people had been trained as on 31.03.2018.
 - b. **Samarth Scheme:** Samarth is a flagship skill development scheme for Capacity Building in Textile Sector launched by Government of India. The Scheme would target to train 10 lakh persons over a period of 3 years (2017-20) with an estimated budget of 1300 crore and has invited the participation of Textile Industry, Institutions / Organizations of the Ministry of Textile / State Government and Training Institutions / NGO/Societies / Trusts / Organizations / Companies / Start Ups / Entrepreneurs. NTC as Physical Verification Agency (PVA) has been allotted 296 training centres for verification of infrastructure including evaluation of training centres' capacity for target allocation as per the course-wise criteria defined by RSA. NTC has so far completed verification of 294 centres out of 296 centres allotted while the two remaining centres are not responding which has also been informed to the Ministry.

148. As regards the action plan prepared/proposed for upgradation of machinery in NTC mills, the Ministry submitted as under:

"NTC is implementing SITRA vetted modernization plan under which 12 mills with the total investment of 267 crore have been identified. Out of 267 crore, 75 crore was the part of approved capital budget of 2017-18 and same is carried forward to 2018-19 capital budget as a part of committed liability towards capital procurement. Remaining 192 crore was made a part of capital budget 2018-19

and same was approved by the Board in its 377th Board Meeting held on 24.01.2017.

However, while noting the Minutes of 387th Board meeting held on 01.10.2019, Board decided that major capital investment should not be incurred in view of on-going disinvestment process."

v. Development of Textile Industry in North Eastern Region

149. Ministry of Textiles is implementing North East Region Textile Promotion Scheme (NERTPS) to develop textiles industry in the North East region of the country. NERTPS is an umbrella scheme with a project based approach having necessary flexibility in design and implementation to cater to the specific need of the NE States. Projects covering all sub sectors of textiles including Apparel & Garmenting, Jute, Handlooms, Handicrafts, Powerlooms and Sericulture have been sanctioned under the scheme. The scheme aims at sustainable growth of textiles industry in North East through necessary support for infrastructure, new technology, capacity building and market access.

150. Details of funds allocated and utilised under NERTPS are as under:

(Rs. in crore)

Year	B.E	R.E	A.E
2018-19	Rs. 220	Rs. 220	Rs. 65.71
2019-20	Rs. 90	Rs. 90	Rs. 83.65
2020-21	Rs. 125	Rs. 40.40	Rs. 16.40
2021-22	Rs. 75**	--	--

**It has been decided to discontinue NERTPS scheme during 15th Finance Commission cycle and the future expenditure of the on-going activities and need-based projects under the scheme are proposed to be provisioned under the Silk Samagra 2.0 scheme from 2021-22 onwards.

151. Asked to furnish the details of funds allocated to textile development in North Eastern Region and employment generation in the North Eastern Region during the 2021-22 fiscal, the Ministry stated as under:

"Initiatives under NERTPS:

- i. Sericulture: Under NERTPS, Sericulture projects have been approved for implementation in the potential districts identified in North Eastern States, under four broad categories viz., Integrated Sericulture Development Project (ISDP), Intensive Bivoltine Sericulture Development Project (IBSDP), Eri Spun Silk Mills (ESSM) and Aspirational Districts (AD).
- ii. Integrated Sericulture Development Project (ISDP): (20 Projects)
 - a. Eighteen projects have been approved with a total cost of Rs.631.97 crore. (Gol share of Rs.525.11 crore) for implementation in Assam including BTC, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Tripura. The projects will support 29,910 acres plantation of Mulberry, Eri & Muga .This includes Soil to Silk for BTC (Assam) and Post

Cocoon Technology for Nagaland. The projects are implemented by the State Sericulture Departments.

- b. Seed Infrastructure Units in CSB: To create infrastructure facilities for production of the quality seed in Mulberry, Eri and Muga Sectors in NE, a project was approved at total cost of Rs 37.71 crore (100% Central assistance). This scheme envisages construction of 6 seed infrastructure units [(1 mulberry seed unit at Jorhat (Assam), 4 muga seed units at Silchar (Assam), Mokoukchung (Nagaland), Kokrajhar (BTC-Assam), Tura (Meghalaya) and 1 Eri seed unit at Topatoli (Assam)] with a production capacity of 30 lakh mulberry Dfls and 21.51 lakh Muga & Eri Dfls].
 - c. Silk Printing Unit at Tripura: To modernize the Silk printing facilities for value addition to the silk and fabric produced in Tripura, a project for establishment of Silk Processing and Printing Unit under NERTPS was approved at a total cost of Rs.3.71 crore (100% Central assistance). This unit targets to print and process 1.50 lakh metre silk per annum.
- iii. Intensive Bivoltine Sericulture Development Project (IBSDP): (10 Projects) : Ten projects to produce for import substitute bivoltine silk with a total cost of Rs.290.31 crores out of which Gol share of Rs.258.74 crores have been sanctioned under NERTPS. The projects cover 4,900 acres of mulberry plantation benefitting 10,607 women beneficiaries covering in all NE States (except Manipur).
- iv. Eri Spun Silk Mills (3 Projects) & Aspirational Districts (5 Projects):
- a. Eri Spun Silk Mills (ESSM): Establishment of 3 Eri Spun Silk Mills in Assam, BTC and Manipur States have been approved with a total cost of Rs.64.59 crore (Gol share of Rs.57.28 crore) to produce 165 MT of Eri spun silk yarn per annum benefitting around 7,500 stakeholders after establishment of mills.
 - b. Development of Sericulture in Aspirational Districts: Govt. of India initiated development of silk industry in the Aspirational Districts in one/ two blocks per district covering Mulberry, Eri, Muga or Oak Tasar as per the potentiality of the district with the involvement of State Governments. Presently 5 sericulture projects are under implementation in the States of Assam, BTC, Mizoram, Meghalaya and Nagaland at a total cost of Rs.79.60 crore with Gol share of Rs.73.47 crore. The projects cover 3,360 acres of plantation benefitting around 4,185 beneficiaries.
- v. Progress for ongoing & new projects:

- a. Progress: Upto December, 2020, an area of 35,411 acres (15,485 new and 19,926 existing) have been brought under host plantation of Mulberry, Eri, Muga and Oak tasar covering 47,956 beneficiaries and produced 3,967 MT of raw silk during the project period (2014-15 to 2020-21 up to Dec). Most of the beneficiaries covered under the project belong to Scheduled Tribes. As against Rs.745.69crore released by Ministry under the above projects, an expenditure of Rs.624.26 crore has been incurred contributing creation of about 50,000 assets at individual beneficiary level and at common facility level (Construction of rearing houses, seed grainages, reeling infrastructure, mounting halls, plantation etc.)
- b. Monitoring of Projects: These projects are implemented under the monitoring, supervision and guidance of central Silk Board (CSB). A Management Information System (MIS) has been developed to get the real time information on all sericulture projects.

Geo-tagging of assets created under on-going sericulture projects have been undertaken through NESAC, Shillong. The assets of around 46,094 NERTPS beneficiaries are to be geo-tagged. The project activity is underway. For the 14 newly approved projects, in respect of plantation, the details of land and beneficiaries covered has been captured using GPS Map Camera App. Around 3000 geo-tagging of plantation and beneficiaries have been uploaded in CSB website.

Third party evaluation of the projects with objective to review the degree of impact on the beneficiaries for evaluation of the current status of the projects in achieving the desired outcome and milestones under NERTPS projects has been completed by TERI, Bangalore, and submitted the final report on Evaluation study of NERTPS project to CSB.

As a part of monitoring & evaluation, field visits have been undertaken in the project sites by the scientists of CSB regularly. An Internal Assessment of the projects has been made on the progress of projects and DoSs have been requested to initiate action on the report.

Combined meetings are being conducted at regular intervals with all NE States by CSB and MoT to review the progress of projects.

- vi. Apparel & Garment Making Project: The project was introduced with a view to promote industrial garmenting in North East through local entrepreneurs. Under this Project plug and play Centers (factories) which are well equipped with high-end industrial garmenting machineries have been set up in each NE States and Sikkim @ Rs.18.18 crore per center. Seven (7) Centers have been inaugurated and facilities have been made available to the entrepreneurs for operationalization. It is expected that the project will not only open new

avenues for industrial garmenting in North East but also trigger growth of allied industries in NER.

- vii. Handloom Projects: As per the Handloom census 2019-20, there are 18.56 lakh weavers and 18.62 lakhs handloom in North Eastern Region (NERT). In the North Eastern State are engaged in domestic production and relatively less proportion are into mixed production i.e. domestic as well as commercial Production. This is primarily because Handloom weaving is part of the culture across all social groups in NER. As per census 2019-20, the dominance of Female weavers in the total weaver's work force is highest in North eastern state. Under NERTPS, Handloom sector supported with following Intervention.
- viii. Cluster Development Projects for Handlooms: 180 Cluster development projects have been sanctioned against which Gol share of Rs. 69.92 crore have been released, the projects are under implementation. The support is provided for design intervention, diversification of products lines and marketing.
- ix. Marketing Promotion: Financial assistance is provided for marketing support to the handloom weavers under NERTPS. A target of 34 Expos involving a financial assistance of Rs. 7.1315 crore has been provisioned for the year 2019-20 and total 14 Expos sanctioned and released Rs. 1.0517 Crore during the year 2020-21 (As on 27.01.2021)
- x. Handicrafts Project: For overall Integrated & sustainable development of Handicrafts sector in North East states, various projects has been sanctioned.
- xi. Powerloom Project at Manipur: The first Powerloom project has been introduced in Manipur with total project cost of Rs. 13.17 crore and Gol share of Rs. 9.22 crore. Under the project the Government provides support for construction of work-shed and installation of powerlooms (including preparatory machines) for the powerloom weavers. The project is under progress.
- xii. Focused Incubation Center in Jute using digital printing technology: A project with total cost of Rs 3.75 crore and GOI share of 2.75 crore is implemented at Guwahati to create facility for digital printing for jute fabrics. Setting up of facility along with procurement of machines is under progress."

vi. Scheme for Integrated Textile Park (SITP)

152. The 'Scheme for Integrated Textile Parks (SITP)' has been under implementation since 10th Five Year Plan to provide the textile industry with world-class infrastructure facilities. The project cost covers common infrastructure and buildings for production/support depending on the needs of the ITP with total financial support of 40% of the project cost subject to a maximum of Rs. 40 crores. There is flexibility in setting up SITPs to suit the local requirements.

153. The Committee were informed that under SITP 66 Parks had been sanctioned out of which 33 Parks were ongoing, 23 had been completed and 10 cancelled. Asked to state the detailed information, the Ministry furnished the following details:

Under SITP, 66 Parks have been sanctioned. Out of which, 33 Parks are ongoing, 23 have been completed and 10 have been cancelled. A list of such parks are as under :-

List of ongoing Parks

Sl. No.	Name of the Park	State	Location	Date of sanction as per PAC	Project Cost approved under SITP (In crores)	GOI share (In crores)	Total GoI grant released (In crores)
1	Hindupur Vyapar Apparel Park Limited	Andhra Pradesh	Ananthpur	01.07.2006	102.27	40.00	24.00
2	MAS Fabric Park (India Ltd	Andhra Pradesh	Nellore	20.03.2008	254.7	40.00	24.00
3	Tarakeshwara	Andhra Pradesh	Kadaluru and Padmavathi Kandriga Village, Sullurpet Mandal, SPSR Nellore	24.03.2015	103.44	40.00	15.00
4	Guntur Textile Park, Guntur	Andhra Pradesh	Village Gopalavari Palem, Mandal: Chilakaluripet	20.09.2014	105.12	40.00	10.00
5	Prag Jyoti Textile Park, Darrang	Assam	Sipajhar, Village Bhotordal, Mouza Lokrai	20.09.2014	47.25	40.00	12.00
6	Kejriwal Integrated Textile Park, Gujarat	Gujarat	Surat	13.12.2012	110.55	40.00	29.00
7	Shanti Integrated Textile Park Pvt Ltd., Surat	Gujarat	Village NaviPardi, Ta. Kamrej	20.09.2014	104.12	40.00	8.00
8	Palsana ITP Park, Surat, Gujarat	Gujarat	Palsana	20.09.2014	103.36	40.00	20.00
9	Amitara Green High Tech Textile Park Pvt Ltd.	Gujarat	Moje Naika	20.09.2014	103.4	40.00	20.00
10	NSP Infrastructure Private Limited, Surat	Gujarat	Ichhapore	06.08.2015	104.65	40.00	0.00

11	Karanj Integrated Textile Park	Gujarat	Molvan, Taluka Mangrol, Surat District	2.02.2016	104.95	40.00	17.60
12	Shahlon Textile Park	Gujarat	Mangrol-Taluka	30.06.2016	103.93	40.00	10.00
13	Alishan Integrated Textile Park, Panipat	Haryana	Panipat	24.03.2015	102.76	40.00	4.00
14	Himachal Textile Park, Himachal	Himachal Pradesh	Upmahal Ramnagar, VPO. Thathal	08-11-2011	96.9	38.76	34.88
15	J&K Textile Park, Kathua Jammu	Jammu and Kashmir	Kathua	Nov., 2012	44.11	39.70	35.73
16	Kashmir Wool & Silk Textile Park, Ghatti, J & K	Jammu and Kashmir	Ghatti, Kathua	20.09.2014	48.06	40.00	0.00
17	Purna Global Textiles Park Ltd.	Maharashtra	Hingoli	16.05.2008	107.29	40.00	22.03
18	Kalappana Awade Textile Park, Maharashtra	Maharashtra	kolhapur	8.11.2011	107.1	40.00	12.00
19	Satyaraj Integrated Textile Park, Shirol, Kolhapur	Maharashtra	Abdul Lat & Shivanakwadi, Tahsil Shirol	15.10.2014	104	40.00	20.00
20	Dhule Textile Park, Dhule, Maharashtra	Maharashtra	Dhule	15.10.2014	103	40.00	4.00
21	Hinganghat Textile Park, Maharashtra, Vidharbha	Maharashtra	Wardha	24.03.2015	108.38	40.00	16.30
22	Sri Ganesh, Dhule, Maharashtra	Maharashtra	Dhule	24.03.2015	104.03	40.00	4.00
23	Rhythm Textile & Apparel Park Ltd, Nawanshehar, Punjab	Punjab	Nawanshehar	16.05.2008	110.73	40.00	36.00
24	Ludhiana Integrated Textile Park Ltd, Ludhiana, Punjab	Punjab	Ludhiana	18.12.2008	116.19	40.00	36.00
25	Kishangarh Hi-Tech Textile Weaving Park Limited, Kishangarh, Rajasthan	Rajasthan	Kishangarh	01.07.2006	110.58	40.00	36.00
26	SIMA Textile Processing Centre, Cuddalore, Tamilnadu	Tamil Nadu	Cuddalore	25.11.2005	111.6	40.00	24.00

27	Komarapalayam Hi-Tech Weaving Park Ltd. , Komalarapa-lyam, Tamilnadu.	Tamil Nadu	Komarapalayam	01.07.2006	31.33	12.53	12.54
28	Perarignar Anna Handloom Silk Park, Kanchipuram	Tamil Nadu	Kanchipuram	22-04-2010	83.83	33.53	3.30
29	Pallavada Textile Park, Tamilnadu	Tamil Nadu	Gobi	08-11-2011	106.58	40.00	4.00
30	The Great Indian Linen & Textile Infrastructure Company, Perundurai, Erode	Tamil Nadu	Perundurai	03.02.2006	149.45	40.00	12.00
31	White Gold Textile Park, A.P.	Telangana	Ranga Reddy	Nov., 2012	95.99	38.40	11.52
32	EIGMEF Apparel Park Ltd., Sayed Amir Ali, Kolkata	West Bengal	Kolkata	01.07.2006	130.50	40.00	31.61
33	Hosiery Park, Howrah, West Bengal	West Bengal	Jagadishpur	16.09.2011	70.14	28.06	25.25

LIST OF COMPLETED PARK

Sl. No.	Name of the park	State	Location	Date of sanction as per PAC	Project Cost approved under SITP (In crores)	GOI share (In crores)	Total govt grant released (In crores)
1	Brandix India Apparel City Private Limited	Andhra Pradesh	Vishakhapatnam	01.07.2006	134.42	40.00	40.00
2	Gujarat Eco Textile Park Limited, Surat	Gujarat	Surat	25.11.2005	128.75	40.00	40.00
3	Mundra SEZ Textile & Apparel Park Limited, , Kutch, Gujarat	Gujarat	Kutch	03.02.2006	103.53	40.00	40.00
4	Fairdeal Textile Park Pvt. Ltd., Surat Ltd	Gujarat	Surat	25.09.2007	105.63	40.00	40.00
5	Vraj Integrated Textile Park Limited , Ahmadabad	Gujarat	Kheda	01.07.2006	105.4	40.00	40.00
6	Sayana Textile Park Ltd., Surat, Gujarat	Gujarat	Surat	20.03.2008	90.00	36.00	36.00
7	Surat Super Yarn Park Limited, Surat	Gujarat	Surat	01.07.2006	104.76	40.00	40.00

8	RJD Integrated Textile Park, Surat, Gujarat	Gujarat	Surat	29.05.2008	106.5	40.00	40.00
9	Doddabalapur Integrated Textile Park, Doddabalapur	Karnataka	Doddabalapur	01.07.2006	80.25	32.01	32.01
10	Metro Hi-Tech Cooperative Park Limited, Ichalkaranji, Maharashtra	Maharashtra	Ichalkaranji	25.11.2005	100.80	40.00	40.00
11	Pride India cooperative Textile park Limited, Ichalkaranji, Maharashtra	Maharashtra	Ichalkaranji	03.02.2006	58.19	20.95	20.95
12	Baramati Hi Tech Textile Park Limited, Baramati, Maharashtra	Maharashtra	Baramati	01.07.2006	108.52	40.00	40.00
13	Deesan Infrastructure, Pvt Ltd., Dhule, Maharashtra	Maharashtra	Shirpur	29.05.2008	103.12	40.00	40.00
14	Asmeeta Infratech Pvt Ltd , Thane, Maharashtra.	Maharashtra	Bhiwandi	29.05.2008	277.69	40.00	40.00
15	Islampur Integrated Textile Park Pvt Ltd., Sangli, Maharashtra	Maharashtra	Peth Naka, Islampur	16.05.2008	102.39	40.00	40.00
16	Latur Integrated Textile Park Pvt Ltd, Latur, Maharashtra	Maharashtra	Latur	16.05.2008	102.61	40.00	40.00
17	Lotus Integrated Tex Park, Punjab, Barnala, Punjab	Punjab	Barnala	05.03.2007	110.26	40.00	40.00
18	Next Gen Textile Park Pvt Ltd , Pali, Rajasthan	Rajasthan	Pali	21.03.2007	101.40	40.00	40.00
19	Jaipur Integrated Texcraft Park Pvt Ltd, Jaipur, Rajasthan	Rajasthan	Bagru	16.05.2008	60.15	24.06	24.06
20	Palladam Hi-Tech Weaving park, Palladam, Tamilnadu	Tamil Nadu	Palladam	03.02.2006	55.42	22.17	22.17
21	Karur Integrated Textile Park, Karur Park, Tamilnadu	Tamil Nadu	Karur	21.03.2007	116.1	40.00	40.00
22	Madurai Integrated Textile Park Ltd, Madurai, Tamilnadu	Tamil Nadu	Madurai	05.03.2007	87.30	31.50	31.43
23	Pochampally Handloom Park Limited, Telangana	Telangana	Pochampally	01.07.2006	34.00	13.60	13.60

LIST OF CANCELLED PARK

Sl. No.	Park Name	Year of Sanction	Gol grant	Gol released	Cancelled date	Gol recovered	Status/ remarks
1	CLC Textile Park	2008	35.57	11.47	19.2.2018	0	Inordinate delay in implementation of the park, show cause notice were issued on 7.11.2016 and 4.1.2017. But there has been no response received from SPV. Also State govt. had recommended its cancellation in the last Regional Conference held in September, 2017.
2	Jaipur Kaleen Textile Park, Rajasthan	08.12.2012	39.08	3.94	30.11.2018	3.94	<i>The PAC was informed that the SPV was sanctioned in October, 2011 and the 1st installment of Gol grant had been released in September, 2016. It was further informed that after the lapse of more than 7 years since the approval of the project, the State Govt., has recommended for cancellation of the project.</i>
3	Asiatic Co-op. Textile Park, Sholapur, Maharashtra	13.12.2012	40	12	30.11.2018	0	<i>PAC noted that the park was unable to generate enough equity and is not showing any progress over the past few years.</i>
4	Himmada Integrated Textile Park, Rajasthan	08.11.2011	40	4	30.11.2018	3.86	PAC noted that as environmental clearance has been refused for this park and no progress has been noted since the last year.
5	Srinath Integrated Textile Park, Bhilwara, Rajasthan	08.06.2015	40	0	30.11.2018	0	PMC representative while deliberation on the project recommended for cancellation of the project as the SPV is not responsive. Also, as no funds has been released to the project, and SPV has not submitted any documents since the approval
6	Gautham Budha Textile Park, Andhra Pradesh	09.11.2014	40	4	30.11.2018	4	As no progress could be made after lapse of four years.
7	Jaipur Texweaving Park, Rajasthan	25.11.2005	38.72	23.23	30.11.2018	0	The PAC deliberated on the dismal performance by the SPV in operationalisation of the park. The case was also represented by the SPV member and it was submitted that park will operationalize all the units by the end of 2019. Considering delay of more than 13 years since approval, Secretary (T) directed to cancel the park and initiate recovery proceedings against the park.
8	Gulbarga Textile Park, Karnataka	16.09.2011	18.56	1.85	03.12.2019	0	PAC observed that the prospect of the park is very low as it is not able to generate enough equity from last 2-3 year.
9	Ecotex, Uttar Pradesh	24.03.2015	40	0	03.12.2019	0	PAC observed that the project is not able to take off as the Change of Land Use (CLU) is pending with State Govt.
10	Farukkhabad Integrated Textile Park	02.02.2016	40	0	03.12.2019	0	No fund is released to the project and possibility of taking off is very remote.

154. The Committee asked about the timeline fixed for completion of the Textile Parks. In response, the Ministry submitted as under:

"Proposed Mega Textile Park as well as existing Scheme for Integrated Textile Parks normally take 3-5 years for implementation and successful operation of manufacturing unit in them. The infrastructure includes CETP common warehousing, common utilities, roads and factory buildings etc which take time to develop."

155. In response to a specific query regarding the setting up of the 7 proposed Mega Textile Parks including at Telangana, the Ministry stated as under:

"Telangana Mega Textile Park is now being developed by the State Government of Telangana. Once the modalities of 7 Mega Textile Parks to be set up in 3 years by Central Government support are decided, all proposals of States including existing textile parks can be evaluated."

156. The Ministry elaborated as under:

"The proposed scheme is awaiting for approval by the Cabinet. Therefore, the location, governance structure, financial support, etc. will be known after approval of the Cabinet. However, it is envisaged that the successful operation of Mega Textile Park will be crucial for enhancing the competitiveness and export potential. Through Mega Textiles Park, it is intended to support the manufacturers to increase efficiencies, reduce transaction cost, enable economies of scale, mobilizes financial resources and knowledge, thus, promoting industrial development."

157. During their Study Visit to Tiruppur, Tamil Nadu, the Committee observed the successful implementation of the Scheme there. In that context, the Committee desired to be apprised of the constraints faced in terms of support from the State Governments elsewhere. In reply, the Ministry submitted as under:

"A list of such parks having problem in support from respective State Government and land issue are as under :-

Sl. No.	Project Name	State	Sanction date	Issues with State	Remarks
1.	Ichhapore (NSP) Textile Park	Gujarat	06.08.2015	Land	Land partially allotted to the SPV
2.	Shanti Integrated	Gujarat	20.09.2014	Land	A road runs between the Park under Master Plan of Gujarat

3.	Shahlon Textile park	Gujarat	30.06.2016	State Govt. Grant	State Govt. has not released their grant
4.	Karanj Textile Park	Gujarat	02.02.2016	State Govt. Grant	State Govt. has not released their grant
5.	Kejriwal Textile Park	Gujarat	16.09.2011	State Govt. Grant	State Govt. has not released their grant
6.	Hinganghat Textile Park	Maharashtra	24.03.2015	State Govt. Grant	State Govt. not released their grant
7.	Kashmir Wool Textile Park	UT of J&K	20.09.2014	Land	Land not allotted by the Govt. till now

158. As regards the measures taken by the Ministry to increase pace of setting up of these SITPs. In reply, the Ministry submitted as under:

"Project Approval Committee (PAC) in its meetings taken from time to time has discussed various obstacles faced by SPVs. After detailed deliberation, PAC has identified various issues which are responsible for slow pace of implementing the scheme. The issue and steps taken towards are as follows:

(a) Land issue: It has come to the notice of PAC that State Government/Industrial Development Corporations partially transfers land to SPVs, due to which SPVs could not be able to finish the project in prescribed time line. Another issue regarding land is dispute between IDC and local persons, which resulted undue delay/court cases.

To resolve the land issue, Ministry takes up the matter with State Government/IDC concerned.

(b) Insufficient State Government/IDC Share: The total project cost under SITP is funded through grants from the Ministry, State Government, State Industrial Development Corporation, equity from the Industry and Loans from Banks/Financial Institutions. In some cases, it has been observed that State Government releases small amount of their share. This has also resulted shortage of funds to SPV and due to shortage of funds, SPV could not undertake various construction/manufacturing work in the Park.

To tackle this issue, Ministry frequently requests State Government/IDC to release their share towards project. In addition, PAC also directs SPV to increase their equity share so that dependency on State/IDC could be reduced.

(c) Delay in sanctioning loan: Being infrastructure projects, the financial institutions hesitate to sanction loan towards projects. Sometime banks do not sanction loan.

This issue was considered by PAC. PAC advised the SPV to increase their equity share to overcome this issue.

(d) Delay from SPV towards mobilization of their equity shares: In some of the projects, it was observed that even SPV could not mobilize their equity share as per commitment. This is against the spirit of the scheme.

PAC in various meetings observed this issue and directed SPV to mobilize their share as per project cost/commitment.

(e) Various Statutory Clearances: While formulating the scheme, it was envisaged that the State Governments shall provide a Single Window Clearance Mechanism by constituting an empowered committee of Principal Secretary/Secretary/HOD level officers of the Department concerned and with specific time lines for:

- (i) grant of all the requisite statutory and other clearances, wherever needed for setting up the ITP
- (ii) Assistance of Power, Water, clearances and other utilities to the ITP
- (iii) Assistance to potential promoters in identification and procurement of suitable land
- (iv) Participation in the projects by State Government agencies like infrastructure and Industrial Development Corporations, or by way of subscribing to the equity of SPV or by providing grants
- (v) Provision of conducive labour policies and environment; and extension of special facilities like exemption of stamp duty, etc for the units located in the ITP for attracting investment.

However, SPVs face difficulty in getting these clearances due to administrative reasons of the State Governments. "

PART-II
OBSERVATIONS/RECOMMENDATIONS

I. OVERALL FINANCIAL OUTLAYS AND PERFORMANCE

i. Proposals and Allocations for 2021-22

1. The Committee are concerned to note that against the Ministry's proposed outlay of Rs. 16883.00 crore during the year 2021-22, the Ministry of Finance have approved Rs. 3631.64 crore only. The main reason for this huge difference in the proposed and approved BE is that the proposal of Rs. 12,988 crore for Cotton Corporation of India was still under process and a provision of Rs. 136 crore has been made in BE 2021-22. The Ministry have assured that to tide over the situation, they would endeavour for efficient utilisation of allocated funds and prioritise the expenses in a manner so as to ensure minimum effect on the reduced allocations to the beneficiaries of the Scheme. The Committee trust that the Ministry would seriously endeavour in enhancing their performance during the year 2021-22 in the utilisation of allocated budget by taking recourse to robust measures which would entitle them to obtain requisite Revised Estimates/ funds through supplementary grants for effectively carrying out the planned activities. In the meantime, the amount/ proposed for Cotton Corporation of India which has been under approval process be taken up with the Ministry of Finance in the right earnest.

ii. Allocation and Utilisation of funds during the year 2020-21

2. The committee note that an amount of Rs. 3,514.79 crore was allocated as BE 2020-21 which was reduced to Rs. 3,300 crore at the RE stage. The actual expenditure as on 15th February, 2021 was Rs. 2,150.89 crore constituting 65 per

cent of the RE amount. Non-receipt and late receipt of viable proposals from the State Governments has been cited as reasons for under utilisation of allocated funds. The Ministry, in order to increase and expedite the viable proposals from Implementing Agencies i.e. States, have contacted the State Department and apprised the same during meetings and North Eastern Region (NER) and Western Region Conferences, and also through circulars issued from time to time. The Ministry have also assured that savings available under some Schemes would be utilised under the Schemes where the Ministry had sought funds under Supplementary Demands and these savings would be re-appropriated to other Schemes after approval. While expressing concern over under-utilisation of allocated funds during 2020-21, the Committee desire that the Ministry should intensify the efforts for ensuring timely receipt of viable proposals and Utilisation Certificates from the Implementing Agencies besides fortifying their expenditure plan so as to ensure optimal utilisation of the 2021-22 BE allocated amount of Rs.3,631.64 crore.

II. OVERALL ACHIEVEMENTS IN PHYSICAL TARGETS

3. The Committee are concerned to note that during 2020-21, the Ministry have been unable to achieve physical targets under many Schemes like HWCWS, NHDP, Yarn Supply Scheme, In-Situ Upgradation of Plain Powerloom, Direct Benefit to Artisans, SITP, TUFs, SAMARTH etc. Outbreak of Covid-19 pandemic has been cited as the main reason for the non-achievement of targets in the aforementioned Schemes. The Ministry are reportedly taking a number of measures for optimal achievement of targets. The Committee recognise that the Covid-19 pandemic and the resultant lockdown in the Country has adversely impacted the implementation of various Schemes of the Government of India

including that of the Ministry of Textiles. However, non-achievement of physical targets by the Textile Ministry has been observed prior to 2020-21 also, due to other reasons. Therefore, it is imperative on the part of the Ministry to tighten their scheme wise monitoring mechanism and take corrective measures to iron out the deficiencies/ lacunae that impeded smooth implementation of schemes in the earlier years so that maximum achievement of physical targets is assured during 2021-22.

III. SCHEME-WISE ANALYSIS

i. National Handloom Development Programme (NHDP)

4. The Committee note that an amount of Rs. 205 crore has been allocated as BE 2020-21 under NHDP, which was revised to Rs. 165 crore at RE stage and actual expenditure so far is Rs. 146.98 crore. An amount of Rs. 220 crore has been allocated as BE 2021-22. The Outbreak of Covid-19 Pandemic and restrictions due to social distancing norms which disrupted the entire supply chain of the Handloom Sector have been cited as the reasons for shortfalls in expenditure. The Weavers bore the brunt the most as they were short of raw materials for weaving as well as stuck up with the finished inventory. While taking note of the genuine predicament of the Handloom Sector during 2020-21, the Committee impress upon the Ministry to resort to a focused approach by taking up special Handloom project/ programmes during the year 2021-22 so as to facilitate improving the business of the Weavers and help revive the sector through maximum utilisation of the BE allocation of Rs.220 crore as earmarked for the fiscal.

5. Due to the lockdown imposed and consequential travel restrictions during 2020-21, it was not feasible on the part of the Ministry to hold conventional marketing events such as exhibitions, melas and therefore there have been underachievement of physical targets during the said year. The Committee note that for the same reasons no proposals could be taken up during the first half of the year for the Block Level Cluster (BLC) component. However, with the gradual phasing out of the lockdown, social media campaign was launched on the 6th Handloom Day on 9th November, 2020 by the Government in partnership with all stakeholders to ensure peoples support for the weaving community. Besides, the Handloom Export Promotion Council (HEPC) took initiative to virtually connect the Handloom Weavers and exporters with the international market. As focus on branding and creating a budge are imperative for the growth and promotion of Handloom products, the Committee exhort the Ministry to leverage the scale of holding such national/ international marketing events as targetted during 2021-22 for the benefit of Handloom Weavers. The Committee further desire that concerted efforts be made during 2021-22 towards receiving adequate proposals for the BLCs and timely release of second installments to the BLCs of various States, including Telangana where request for 8 BLCs is pending so as to offset the disruptions encountered during 2020-21.

6. The Committee note that a Local Committee consisting officials from State Government, Implementing Agencies of the BLCs concerned, NHDC and the Weavers' Service Centre has been formed for short listing Handloom Worker trainees for skill upgradation programme. In view of the significance of such skill upgradation according to the changing scenario and market demands, the Committee desire that the process be accelerated to conduct need based training

programmes for upgrading skills of handloom workers in technical areas such as development of new designs, use of new gadgets, use of eco-friendly dyes etc.

7. The Committee appreciate that there are 11 textile articles which are reserved for exclusive production by Handlooms. However, they are deeply concerned to find that as a result of more than 19 lakh Powerloom inspections conducted between 2015-16 to 2020-21 to find out violation of handloom rights, 447 FIRs were filed and 380 convictions made. The Committee impress upon the Ministry to enhance the frequency of such powerloom inspections to nab the violators so as to protect the livelihood of handloom weavers and rich cultural heritage of handloom industry from encroachment of the powerloom and Mill Sectors as per the provisions contained in the Handlooms (Reservation of Articles for Productions) Act, 1985.

8. The Committee are concerned to note that during the year 2020-21 only Rs.24 crore could be disbursed as MUDRA loan to 4278 sanctioned loans. Such lower offtake of the MUDRA loan has been attributed to Covid-19 Pandemic. However, the Ministry have deposed that setting a target for Banks will definitely help improve the disbursements under the MUDRA loan Scheme. The Committee desire that the matter be taken up at the appropriate level so that appreciable disbursements are made under MUDRA loan Scheme during 2021-22 for the benefit of handloom weavers.

9. The Committee note that so far four Handloom census have been conducted by the Ministry during the years 1987-88, 1995-96, 2009-10 and 2019-20, the last Handloom Census Report being released on the occasion of 5th National Handloom Day on 7th August, 2019 at Bhubaneswar, Odisha. In view of

the fact that Census is an important activity for resource planning, allocation and its actual dissemination to the masses, the Committee call upon the Ministry to make the Census process of Handloom Weavers more robust and foolproof so as to ensure genuine identification of Weavers and actual dissemination of resources to them.

10. The Committee note that there are 10 Indian Institute of Handloom Technology (IIHTs) viz six under the Central Sector and four under the State Sector i.e Andhra Pradesh, Karnataka, Chhatishgarh and Kerala which conduct the Diploma Course in Handloom and Textile Technology (DHTT) and follow the same syllabus / examination pattern. Each IIHT has its own area of jurisdiction. The Committee feel that prescription of uniform selection process for admission into the Diploma Course in each IIHT irrespective of the Central/State administrative control, as has been done in syllabus / examination pattern, would be an ideal step in maintaining uniformity in every sphere. The Committee also desire that admission to a selected candidate of a particular State be preferably accorded in the IIHT situated in the same State or at the nearest State for the convenience of the aspirant Diploma Holders.

11. The Committee are pleased to note that in order to come out of the Covid-19 Pandemic situation and to mitigate its effect on handloom weavers, the Ministry have taken a number of initiatives which *inter-alia* include organising 534 Chaupals in various States to educate the Weavers for availing benefits under various Schemes; forming 117 Handloom Producer Companies to ensure higher returns; associating 23 e-commerce entities for online marketing of handloom/ products; on boarding about 1.5 lakh weavers on the Government e-market (GeM)

to enable them to sell their products directly to various Government Departments; etc. The Committee would like to encourage the Ministry to keep up the good work and continue with the measures at the time of distress to mitigate the hardships of the Handloom Weavers and Handicrafts Artisans.

12. The Committee note that the Ministry have requested the CBDT and Central Board of Indirect Taxes or Customs to exempt those handloom weavers and handicraft artisans who will be on-boarded on the e-commerce platform until they cross Rs.40 lakh turnover, from the registration requirement and consequent compliances under the GST law as well as TDS provisions under the Income Tax Act. The Committee impress upon the Ministry of Textiles to earnestly follow up the matter with the Ministry of Finance so that the Weavers and Artisans are benefitted and get fair prices for their products in the e-marketing platforms.

ii. National Handicraft Development Programme

13. The Committee note that the BE 2020-21 for NHDP was Rs.398.21 crore which was reduced to Rs.284.77 crore at RE stage whereas the actual expenditure has been Rs. 213.54 crore (as on 15.02.2021). An amount of Rs. 371 crore has been allocated as BE 2021-22. During 2020-21 there have been many shortfalls in terms of both physical and financial achievements under a number of Schemes viz. Baba Saheb Ambedkar Hastshilp Vikas, Design & Technical Upgradation Scheme, Direct Benefit to Artisan, Research & Development Marketing Support and Service Centre etc. The reasons attributed for the shortfalls in achievements include *inter-alia* Covid-19 Pandemic and the restrictions on mobility of the artisans, Non-submission of viable proposals by implementing agencies in time, pendency of utilisation certificates, non-recommended proposals etc. The

Ministry are reportedly making all efforts for achieving the physical targets during 2021-22. In this regard, the Committee observe the trend of under utilisation of funds and under performance in achieving the physical targets has been noticed since 2018-19 fiscal whereas Covid-19 affected the implementation programme only in 2020-21. Therefore, the Committee urge the Ministry to make requisite action plan like maintaining effective coordination with the implementing agencies and urging them to submit their viable proposals and utilisation certificates in time so that the 2021-22 BE allocation of Rs.371 crore is optimally utilised for maximum achievement of the major activities proposed to be taken up under the Handicraft Sector.

14. The Committee appreciate that the Ministry have taken initiatives for producing toy products in mass quantity, identifying toy craft clusters across the country. Further, various marketing platforms including virtual fairs are organised for providing opportunity to rural toy making artisans. The Committee feel that the measures initiated for promoting toy making by rural artisans are steps in right direction and be further intensified so as to prevent the import of cheap toys which are not eco-friendly and safe for children.

15. The Committee note that so far a total number of 26.34 lakh artisans have been identified for issuance of Pahchan ID Card, out of which 1.12 lakh such cards have been issued to the handicraft artisans in the State of Rajasthan only. In view of the fact that there is no separate census for the artisans, unlike the weavers, the Committee impress upon the Ministry to enhance the process of identification of more artisans for issuance of Pahchan Cards and accelerate the

distribution of such cards to the already identified artisans so as to ensure better planning and policy formulation in the handicraft sector.

16. The Committee find that in consonance with the Government of India's vision for 'Minimum Government Maximum Governance' the All India Handicraft Board (AIHB) was closed in 2020. To offset the closure of AIHB, Chaupals and Hastkala Sahayog Shivirs are being organised throughout the country and on the basis of feedbacks received therein policy decisions are taken. As AIHB's role was to advise the Government about the problems of Handicraft Sector and suggest improvement and development, the Committee desire that the alternate mechanism put in place for the purpose be further strengthened, lest the closure of AIHB adversely affects taking cognisance of the problems faced by the Handicraft sector in the right perspective and suggesting improvements accordingly.

iii. PowerTex

17. The Committee note that an amount of Rs. 110 crore has been allocated as BE 2020-21 for PowerTex which was reduced to Rs. 50 crore at RE stage. The actual expenditure as on 15th February, 2021 has been Rs. 39.78 crore only. The shortfalls in expenditures have been attributed to irregularities committed in the claims made by kits suppliers and its subsequent referral for CBI investigation, Covid-19 pandemic, non-submission of LLMC report for release of funds, etc. The Ministry have assured that all efforts would be made to utilise the entire allocated amount by March, 2021. The Committee trust that concerted and robust measures would be taken by the Ministry to utilise the remaining amount not only in 2020-21 but the amount allocated for 2021-22 also. The Committee, further, recommend

that the monitoring mechanism be made more stringent by increasing the frequency of field visits so as to arrest the irregularities committed which has remained a primary cause of underutilisation of funds over the years.

18. The Committee also desire the Ministry to prepare an action plan to upgrade/modernise all the powerlooms in the Country to increase productivity and quality of fabric so that Indian garments carve a niche in both domestic and global markets.

19. The Committee note that Powerloom Sector provides employment to 44.18 Lakh persons and contributes 60% of total cloth production in the country. More than 60% of fabric meant for export is also sourced from Powerloom sector. The readymade garments and home textile sectors are heavily dependent on the Powerloom sector to meet their fabric requirement. The Committee are deeply concerned to find that despite such achievements, the Powerloom Weavers are exploited by the trading community and middlemen/ intermediaries by giving very less work payments to them. What is more worrisome is the fact that there is very little social security for the workers employed in the unorganised powerloom sector, except insurance cover and benefits under a few schemes. The Committee exhort the Ministry to look into these matters with a sense of urgency that they command and take suitable corrective measures so as to prevent exploitation of the Powerloom Weavers as well as to provide them requisite social security.

20. The Committee note that there are total committed liabilities of Rs.179.74 crore under Powertex India Scheme as on date. The Ministry are in the process of rationalisation of the Scheme after 31st March, 2021 and it is expected to

continue all committed liabilities upto the Financial Year 2025-26. Besides, as per initial proposal being prepared, some critical sub components may continue in the revamped scheme. The Committee are in agreement with the efforts made by the Ministry to continue with the committed liabilities and include critical sub-components in the revamped scheme. They, therefore, desire the Ministry to pursue the matters accordingly so that they are drawn to their logical conclusion.

iv. Jute Sector

21. The Committee note that an amount of Rs. 136.52 crore has been allocated as BE 2020-21 for Jute Sector which was reduced to Rs. 71.50 crore at RE stage whereas the actual expenditure has been Rs. 54.25 crore as on 15.02.2021. For the year 2021-22, an enhanced amount of Rs. 153.01 crore has been allocated. The Ministry have stated that due to Covid-19 pandemic there was restriction on public gathering, hence some of the approved Schemes/activities including inspection of mills under ISAPM could not be implemented in full fledged manner during 2020-21. The Ministry have assured that the remaining allocation of RE would be utilised fully by March 2021. The Ministry through NJB has been making all efforts for implementation of promotional activities/schemes as Annual Action Plan (AAP) which broadly cover workers welfare in the Jute Sector, modernisation of Jute plants through ISAPM, Jute Diversification, market promotion and development, Design Development of JDPs and Jute Creo-textile. Moreover, in order to iron out the deficiencies/ impediments faced by the Jute Industry, the Ministry are making concerted efforts like implementation of Jute Raw Material Bank (JRMB), Export Market Development Assistance (EMDA), Jute-Improved Cultivation and Advanced Retting Exercise (ICARE), Minimum Support

Price (MSP) for raw jute, etc. The Committee are of the considered view that with effective monitoring of the above measures for actual implementation, the Ministry would be able to increase both quantity and quality of Jute products so as to enhance investments in the Jute Industry. Special attention needs to be paid towards research related activities for quality enhancement and diversification of Jute Products alongwith campaign for awareness about the advantages of Jute over plastic and its environment safety so that more market demands could be generated and catered to. The Committee also desire the Ministry to effectively monitor quality of Jute seed distributed by retail traders by frequently inspecting the markets and take stringent action against the defaulting/ delinquent firms and traders.

22. The Committee are glad to note the efforts of the Ministry in providing support to the jute workers during Covid-19 Pandemic, as has been done for Handloom Weavers and Handicraft Artisans. To illustrate, Jute Mills have been allowed to supply jute bags for the Rabi crops 2020-21 season after stretching the time limit upto July- August, 2020. Allowing the Jute Mills to produce self-certification of their products; 100 percent release of payment of bills; allowing the outstation mills to produce their documents through e-mail for expeditious release of funds etc. are some other measures taken by the Ministry during the Pandemic. The Committee appreciate the efforts made during distress and would like the Ministry to continue with their praiseworthy work for the benefit of jute workers.

23. The Committee note that export of jute goods (in term of value) has increased over the years from 2017-18 to 2019-20, i.e. Rs. 2158.56 crore to Rs. 2423.84 crore. However, during the same time export of jute goods (in term of quantity) have gradually decreased. The Committee further note that export of Jute Diversified Products (JDPs) has been increased from Rs. 631.49 crore to Rs. 963.44 crore over years *i.e.* 2017-18 to 2019-20. The Committee are concerned to note that at the same time import of raw jute has been increased both in terms of Quantity and Value during the last 3 years. In this regard, the Committee are of considered view that India being the largest producer of jute in the world and still importing quality raw jute from other Countries like Bangladesh, which is mainly used for JDPs, speaks volumes of the quality of seeds being distributed to the farmers. Therefore, urgent measures are warranted for distribution of quality seeds to farmers through ICARE so that Indian JDPs may get good value and demand from the global market. The Committee also desire the Ministry to promote use of jute in more diversified application areas by conducting special training programmes, organising awareness campaigns and through product/design development schemes so as to generate substantial demands and price in both domestic and international markets. The Committee further urge the Ministry to take concrete steps to upgrade/modernise the plant and machinery through ISAPM so as to leverage both quality and quantity of the Jute Diversified products.

v. Cotton Sector

24. The Committee note that against the Ministry's BE proposal of Rs. 12,988 crore during 2021-22, the Ministry of Finance allocated only Rs. 136 crore. According to the Ministry, such drastic reduction in the proposed amount would impact the competitiveness of Indian Textile Industry in productions of yarn, fabrics and ultimate finished products which contributes about 14 percent to industrial production, 4 percent to GDP, 17 percent to export earnings and a source of direct employment for over 35 million people. Further, in case of the inability on the part of Cotton Corporation of India to undertake MSP operations, it may cause distress among the Cotton farmers who may switch over to other crops. Thus, in view of the above imperatives involved, the Committee exhort the Ministry of Textiles to appropriately take up the matter with the Ministry of Finance to obtain the requisite funds for CCI during 2021-22 itself so that the demand and supply of cotton is not imbalanced/ de-stabilised at the end. The Committee are confident that the constant endeavour of CCI to reduce the burden on Government on account of MSP operations and the Corporation's effective intervention during the Pandemic to safeguard the Cotton Farmers from exploitation by the private buyers would be sustainable factors to obtain requisite funds from the Finance Ministry.

25. According to the Ministry, the budget required during the year 2021-22 is around Rs.19,722.85 crore i.e. Rs.8740.41 crore for previous pending loses and Rs.11032.44 crore (expected losses under MSP) upto 31.12.2021. The Committee feel that the word 'losses' does not seem to be appropriate as also agreed to by the Ministry and therefore recommend that instead of 'MSP losses on Cotton' the

words 'Support for cotton under MSP-operation' be subtracted. Distribution of Quality Seeds to the registered traders and disseminating the information on policy initiatives taken under Cotton sector and MSP operation to farmers through 'Cott-Ally' mobile app would also be an appropriate step.

26. The Committee note that India is a net cotton surplus Country wherein production is more than its consumption i.e the total supply of cotton during 2019-20 and 2020-21 are 437.02 lakh bales and 502.95 lakh bales respectively and the corresponding consumption of cotton during the same period are 269.03 lakh bales and 330.00 lakh bales respectively. Still the import of cotton stood at 15.50 lakh bales and 11.00 lakh bales. The Committee therefore, desire the Ministry to earnestly endeavour to enhance the cotton exports and gradually reduce the import of Cotton.

27. The Committee also recommend that the process of starting the training course on kapas plucker machine operation to increase the farmers cotton picking productivity and promotion of premium cotton Brand 'Kasturi cotton' be expedited so that export of cotton is increased and the Cotton Sector gets a firm footing in the global market.

vi. Sericulture

28. According to the Ministry financial targets under sericulture during 2020-21 could be achieved whereas physical targets like capacity building training under CSB Schemes, Cocoon and Raw Silk Centres, programmes/events to be organised, production of basic and commercial seeds for mulberry, Tasar, Muga, etc are not achievable. The main reason for this shortfall in Schemes have been attributed to the Covid-19 pandemic. However, the Committee appreciate that

progress on R&D activities was not affected as such activities were continued by the institutes resulting in effective utilisation of funds and released of significant amount to support the beneficiaries to sustain the activities in post Covid situation. The Committee desire the Ministry to intensify the R&D activities in enhancing the quality of silk produced in the Country so that silk products under Indian silk brand get their demand in the global market and in the process; the import of silk are decreased and export of quality Indian silk brand products enhanced.

29. Due to a number of measures taken in Silk Samagra, the Ministry have been able to achieve the targets like obtaining patent for 9 technology packages during 2017-2021, signing of MoU with research institutes in Bulgaria, Japan, China and Australia for exchange of Genetic material for enhancing production and increase in total silk production; increase in total seed production increase in the quality of silk and the yield of Raw Silk etc. The Committee desire the Ministry to persist with and strengthen the measures already initiated for the development of silk textiles so as to achieve the objectives of increasing quality, production, productivity, employment generation and increase in farmers' income.

30. The Committee feel that India's vast area can be utilised for lotus cultivation and lotus silk being one of the most expensive silk can add to the economy. The Committee therefore, desire that possibilities be explored to initiate research on extraction of lotus silk from lotus stems and coordination be made with the Ministry of Skill Development & Entrepreneurship to introduce training programmes on lotus silk fibre extraction under SAMARTH Scheme. The Committee further recommend that sincere efforts be made to formulate a special

project under silk sector in tandem with the Ministry of Environment & Forest seeking both land and financial support under CAMPA fund so that the production of silk can be considerably increased.

vii. **Amended Technology Upgradation Fund Scheme (A-TUFS)**

31. The Committee note that the BE 2020-21 for ATUF Scheme was Rs. 761.90 crore which was reduced to Rs. 545 crore at RE stage and the Actual Expenditure has been Rs. 432.14 crore, showing utilisation rate of 79.29% of funds. An amount of Rs. 700 crore has been allocated for the BE 2021-22 fiscal year. The Committee have been informed that reasons for under utilisation of funds during 2020-21 are due to outbreak of Covid-19 pandemic, no JIT inspections in the first two quarters and the deployment of officials of the Ministry for monitoring of production of PPE Kits on daily basis which hampered the processing and release of subsidy under the Scheme. The Committee also find that during the initial years of ATUFS, the physical inspections were held but the final settlement of claims were delayed due to large number of objections reported on account of lack of sufficient documents to be submitted by claimants units for which only limited claims could be settled. The Ministry in order to expedite the settlement of more claims have taken a number of measures like registration of claimants under iTUFS for ease of implementation and monitoring, delegation of powers to different level of Officers in the Office of Textile Commissioner, online tracking of claims, geo-tagging of assets etc. Further, in order to overcome the catastrophic impact of Covid-19 pandemic a special measure has been initiated to give relief to the industry by easing liquidity flow during this period through release of part subsidy against Bank Guarantee prior to process of the claims. The Committee

further note that a total of 1264 applications have been registered and UIDs issued covering an investment of Rs. 2636 crore and subsidy value of Rs. 260.14 crore under these segment with employment generation of about 83300 across the Country. The Committee appreciate that despite constraints of Covid-19 pandemic, the Ministry have been able to utilise Rs. 432.14 crore during 2020-21 (as on 15.02.2021) which reinforces the Committee's earlier recommendation that with timely and effective measures, utilisation of earmarked funds could be substantially increased. The Committee, therefore, urge the Ministry to persist with the measures already taken during 2021-22 fiscal also so that all the pending claims could be settled reflecting better utilisation. The Committee also desire the Ministry to increase the deployment of field officers to inspect the machinery under JIT and expedite the speed of completion of JIT reports. The Committee further recommend that the Ministry should earmark a part of the budget allocated under ATUFS for research development on upgradation/modernisation of Indian Textile Industry so that the import of high quality machinery from other countries could be decreased gradually thereby making the textile industry truly Atmanirbhar or selfreliant.

viii. Samarth/Integrated Skill Development Scheme (ISDS)

32. The Committee note that on the basis of learning from ISDS, the Ministry introduced Scheme for Capacity Building Textile Sector (SCBTS) for entire value chain of textiles except spinning and weaving in organised sector for a period of 3 years i.e. 2017-18 to 2019-20 with an outlay of Rs. 1300 crore. However, the trend of under utilisation of funds has been noticed since the inception of the Scheme i.e. 2018-19. During 2020-21, the BE was Rs. 150 crore which was reduced to Rs. 80 crore at RE stage and actual expenditure has been Rs. 57.78

crore only (as on 17.02.2021) showing utilisation rate of 72.33% of RE funds. As regards, the physical target, the Ministry have set a target of training of 3.3 lakh candidates through various State agencies, Ministry's sectors, Textile industry and associations. However, only 57,270 candidates could be enrolled and 10,604 (upto 17.02.2021) candidates trained, 707 being trained through online TOT Programmes. The outbreak of Covid-19 pandemic has been cited as the major reason for this shortfall in targets. The Ministry, with a view to ensure Quality Skill training to the youth, are taking various monitoring steps viz. day to day monitoring of training programmes under project management unit, web based management information system for ease of monitoring of implementation of programme, Aadhaar enabled biometric attendance, third party assessment of trainees under the programme etc. Since the Ministry have a great vision to enhance the capacity building in the value chain of textile industry, the Committee desire that besides strengthening the monitoring mechanism, the Ministry should chalk out a robust year wise action plan for effective utilisation of Budget allocation and maximum achievement of physical targets so that the intent and object of the SAMARTH Scheme are truly achieved. Such action plan should also include encouraging the IPs to submit their viable proposals by creating awareness through periodic advertisements and effective coordination with various State Governments for speedy approval of viable RFPs etc.

33. The Committee also call upon the Ministry to coordinate with the Ministry of Skill Development & Entrepreneurship/National Skill Development Corporation (NSDC) to include more training programmes for upskilling of the textile workers based on the requirement of the industry and current scenario of global textile industry. The Training Centres for skill development programmes should be

preferably located within the industry premises or nearby the Industries for the convenience of both candidates and industries. As final placement is the ultimate outcome of any training programme conducted, the Ministry should periodically gauge the skills of all trained candidates by maintaining a track of actual placements of trained candidates under SAMARTH so that the training programmes could be modified/amended/fortified accordingly. Further, it is imperative to accord special focus on the handloom and handicraft training courses under SAMARTH to make weavers/artisans excel in world class innovative skills so as to generate greater demand of their products in global market.

ix. Wool Sector

34. The Committee note that the BE allocation during the FY 2021-22 for the wool sector has been on a very lower side i.e. only Rs. 16.50 crore. The Ministry have clarified that FY 2021-22 being the first year of the next Five Year Plan and modified Wool Sector Scheme would be continued with deletion of some activities, the entire process of inviting proposals, their approvals, release of first installment etc. would be a time consuming process and therefore the BE allocation has been kept on a lower side. The Committee impress upon the Ministry to speed up the procedural matters so that the IWDP is effectively implemented in subsequent Financial Years with adequate budgetary provisions.

35. The Committee note that pursuant to the Prime Minister's announcement of a programme for development of Pashmina Sector in Union Territories of Jammu and Kashmir and Ladakh, the Ministry have incorporated the programme with a budget of Rs. 50 crore under IWDP in the name of Reconstruction Plan Union

Territory of Jammu & Kashmir and Union Territory of Ladakh. As regards the progress made, the Committee find that a State-of-the-art de-hairing plant and ancillary machinery costing Rs. 19.75 crore has been sanctioned for which the tendering process is ongoing. As one of the main focusses of IWDP is certification, labeling and branding of Pashmina Wool, the Committee impress upon the Ministry to expedite and finalise the tendering process for Leh at an early date besides initiating similar measures for the Union Territory of Jammu & Kashmir so that the targetted vision of development of Pashmina Wool in the Union Territories of Jammu & Kashmir and Ladakh is accomplished in 2021-22.

36. The Committee note that CWDB, Ministry of Textiles does not form wool cooperatives on its own, however under wool sector there is a provision to provide financial assistance to State/Central Government/Organisations for formation of sheep breeders/wool garments Cooperative Societies. In this regard, the Committee are of the view that the IWDP being an umbrella programme implemented in wool producing States to support small, medium and large scale wool producing units, forming Cooperative Societies will certainly enhance the bargaining power and better rate for graded wool. Further, as these Cooperative Societies/Boards may aid/support the IAs/shearers and other persons involved in woolen work to put forth their grievances and also to share their ideas for development of wool in their respective areas, the Committee recommend that requisite financial assistance, as per the provisions under Wool Sector, be extended to the State Governments/Organisations for formation of Cooperative Societies/Federations. The Committee also desire that the Ministry through CWDB, ICAR and CSWRI endeavour to initiate research on breeding of sheep specifically for wool purpose to enhance the quality and quantity of wool

produced so that sale of Indian woolen products is enhanced in both domestic and global markets.

V OTHER PROGRAMMES/PROJECTS/ISSUES

i. Export Promotion

37. The Committee are concerned to note that export of Textile and Apparel (T&A) including Handicraft from India has been decreasing for the last 2 years in comparison to 2018-19 i.e. US \$ 40.36 billion (2018-19), US \$36.94 (2019-20) and US \$22.27 billion (2020-21) (as on 31.12.2020). There has also been a decrease in export of T&A by 19% for the period April 2020 to December 2020 as compared to previous corresponding period. The Covid-19 pandemic has been cited as the main reason for this decrease. The Committee also note that the Ministry have taken various measures to enhance exports like removal of Anti-Dumping Duty (ADD) on PTA besides recommending the Department of Revenue to remove Anti-Dumping Duty on Viscious Staple Fibre (VSF), Nylon Filament Yarn (NFY) etc. As regards the inverted duty structure that impedes the development of Man Made Fibre (MMF), the Committee are pleased to find that pursuant to the Ministry of Textiles taking up the matter with the Ministry of Finance, the Finance Minister has announced in her Budget speech that there is a need to rationalise duties on raw material inputs to manmade textiles. As Anti Dumping Duty, Inverted Duty Structure, Differential Tariff Rates, High Labour and Power cost and Inadequate Logistic Arrangements are seriously impeding the Indian Textile and Apparel Industry to compete with international counterparts, the Committee urge the Ministry to follow up the matters at the appropriate fora so that systemic improvements are ushered in for leveraging the export potential of the Industry.

ii. **National Technical Textile Mission (NTTM)**

38. The Committee note that the Government of India with a view to position the Country as a global leader in technical textiles and increase the use of technical textile in domestic market has approved NTTM with a total outlay of Rs. 1480 crore with four years implementation period from FY 2020-21 to 2023-24. The mission has four components viz. Research, Innovation and Development; Promotion and Market Development; Export Promotion; and Education Training & Skill Development. The Committee also note that the Ministry have taken various measures for development of Technical Textiles in the Country viz. 34 research areas have been identified, 207 HSN Codes classified as technical textiles, 92 application areas identified for mandatory use of Technical Textiles; BIS for 377 technical textile products have been published by Bureau of Indian Standards; 6 additional courses on Technical Textiles have been included in the SAMARTH Scheme. While appreciating the measures taken by the Ministry for development of Technical Textiles in the Country and taking note of the significance of various components of Technical Textiles like Meditech (PPE kits), Buildtech, Mobiltech, Indutech, Protech, Sporttech, Geotech, etc., the Committee call upon the Ministry to intensify the efforts already initiated besides exploring other innovative measures for the development and expansion Technical Textiles so that the 2021-22 BE allocation of Rs. 100 crore for the Scheme is utilised gainfully and to the optimum. The Technical Textiles being a sun rising sector for Indian textile industry, the Committee also desire the Ministry to take specific measures for developing India as a global manufacturing hub viz. to attract investment from both domestic and global players in PPP mode, marketing partnerships with

global players for acquiring technical know-how so as to address the knowledge gap in technical textiles.

39. The Committee are extremely pleased to note that as a result of some extraordinary measures taken by the Government of India in general and the Ministry of Textiles in particular, India could stand out in fighting Covid-19 alone on its own without any dependence on other Countries for medical protective textiles. To illustrate, India has so far produced 6 crore PPE Coveralls and more than 15 crore N-95 Masks and opened its capacity to the world by exporting 2 crore PPE Kits and 4 crore N-95 Masks by November 2020, after the domestic need was sufficiently met. While taking pride, as India stands out as a Country of credibility as no other Country has created such a massive success story in manufacturing of PPE and N-95 Masks during the Covid-19 Pandemic, the Committee would like the Ministry of Textiles to keep up the exemplary work in future too.

iii. Mega Integrated Textile Region and Apparel Parks (MITRAS)

40. The Government have announced the MITRA Scheme aiming to attract large investment of Rs. 10,000 crore and employment generation of 1,50,000 jobs in the sector to boost the domestic manufacturing and create world class infrastructure at one place which will enable textile industry to achieve size and scale so as to become globally competitive and create global champions in exports. In this context, the Committee find that the Ministry propose to set up 7 MITRAs at already approved sites called 'Greenfields' and also at new sites called 'Brownfields'. Availability of Land, Power, Water, Connectivity, etc. are the main criteria of the selection of the sites. Dholera in Gujarat and Bidkin in Maharashtra are illustrative examples of Greenfield Parks while Kakatiya in Telangana is an

illustrative example of Brownfield Park. The Cabinet Note, with the queries resolved, will be resubmitted by the Ministry and after the Cabinet approval of the Scheme and the modalities, the details of location, financial structure, governance models etc. would be decided. Since MITRAs are in complete alignment with Government's Aatma Nirbha Bharat Mission and its five pillars of Economy, Infrastructure, Technology, Demand and Demography, the Committee desire that once the Cabinet nod is obtained, the Ministry should take urgent measures to accelerate the initial formalities so that the intended 7 MITRAs are established within a definite time frame.

iv. National Textile Corporation (NTC)

41. The Committee are deeply concerned to note that NTC has been incurring losses for the last three consecutive years. Low modernisation level, locational disadvantages, economy scale, absence of forward integration and value addition, poor infrastructure, use of outdated technology etc are cited as the major challenges faced in the effective functioning of NTC. In order to address the above challenges NTC has taken measures like Energy conservation, Skill India Programme and infusing Rs. 28.56 crore in FY 2017-18, 2018-19 and 2019-20 to improve the modernisation level and infrastructure facilities. However, as per the Board's decision, no major capital investment should be incurred by NTC in view of ongoing disinvestment process. As NTC is on the threshold of upgrading its technology in its operating Mills and is looking forward to modernisation, expansion, product diversification including Technical Textiles, the Committee would like the Ministry to explore some viable measures and effect them for the revival/turnaround of NTC Mills so that the Schedule 'A' Public Sector Unit revives.

v. Development of Textile Industry in North Eastern Region

42. The Committee are deeply concerned to note that there has been persistent shortfall in utilisation of plan outlays in the North Eastern Region during the last 3 years. During 2020-21, the BE allocated was Rs. 125 crore which was reduced to Rs. 40.40 crore at RE stage and the actual expenditure was a meagre Rs. 16.40 crore. An amount of Rs. 75 crore has been allocated as BE 2021-22. The Committee are equally concerned that there have been shortfalls in achievement of physical targets during 2020-21 i.e. 47,517 beneficiaries covered against target of 62,235, 35,411 acres of plantation developed against target of 38,170 acres etc. The Committee note that it has been decided to discontinue North Eastern Region Textile Promotion Scheme (NERTPS) during 15th Finance Commission Cycle and the future expenditure of ongoing activities and need based projects under the Scheme are proposed to be provisioned under Silk Samagra 2.0 Scheme from 2021-22 onwards. The Committee are of the considered view that onus lies on the Ministry to ensure the appropriate realignment of the aims and objectives of NERTPS for promotion of textile Industry in the NER through augmentation of infrastructure, capacity building and market promotion, support to industry covering all the sector and sub sectors of textile industry value chain viz. sericulture, powerlooms, apparels, handlooms, handicrafts and jute.

vi. Scheme for Integrated Textile Parks (SITP)

43. The Committee note that 66 parks have been sanctioned under SITP, out of which 33 parks are ongoing, 23 parks have been completed and 10 Parks have been cancelled. Delays in obtaining land and other statutory clearances from SPVs/IAs, slow fund mobilisation etc have been cited as reasons for cancellations of SITPs. The Committee also note that there are shortfalls under physical and financial targets during 2020-21; no new eligible proposals have been received during 2020-21; Covid-19 pandemic induced restrictions and financial crunch of SPV/promoters etc have been cited as the reasons for shortfalls in achieving both financial and physical targets during 2020-21. However, the Ministry have assured improvement in achieving the targets in 2021-22 year as they are reportedly taking up with the State Governments/SPVs/IAs to resolve the issues like land issue, Insufficient State Government/IAs share,

delay in sanctioning loan, delay from SPV towards mobilisation of their equity share, various statutory clearances etc. which affect the pace of setting up of SITPs. As due to lack of State Government support, absence of large investment by IAs/ SPVs through PPP etc., the SITPs have not achieved any major success in attracting large scale investment and creating the intended employment generation, the Committee impress upon the Ministry to vigorously pursue the matter with the Stakeholders concerned so that the ongoing SITPs are established in a time bound manner and the already established Parks attract sizeable investment and generate sufficient employment.

44. The Committee would like to draw the attention of the Ministry to their recent study visit to Tiruppur, Tamil Nadu where they observed the stupendous success of the Textile Park in terms of employment generation, investment infusion, product diversification etc. due to wholehearted support from all the Stakeholders including the State Government of Tamil Nadu. The Committee desire that this should be projected as a model example so as to inspire/motivate other Stakeholders to replicate the same in their respective States.

New Delhi;
15th March, 2021
24 Phalguna, 1942 (Saka)

BHARTRUHARI MAHTAB
CHAIRPERSON,
STANDING COMMITTEE ON LABOUR

STANDING COMMITTEE ON LABOUR

(2020-21)

Minutes of the Tenth Sitting of the Committee

The Committee sat on Friday, the 18th February, 2021 from 1100 hrs. to 1415 hrs. in Committee Room No. '3', Parliament House Annexe - Extension Building, New Delhi.

PRESENT

Shri Bhartruhari Mahtab – CHAIRPERSON

MEMBERS

LOK SABHA

2. Shri Subhash Chandra Baheria
3. Shri Dayakar Pasunoori
4. Shri Satish Kumar Gautam
5. Dr. Umesh G. Jadhav
6. Shri Dharmendra Kumar Kashyap
7. Dr. Virendra Kumar
8. Shri Nayab Singh Saini
9. Shri Bhola Singh

RAJYA SABHA

10. Dr. Banda Prakash
11. Shri M. Shanmugan
12. Shri Neeraj Dangi
13. Shri Dushyant Gautam
14. Shri Vivek Thakur
15. Shri Naresh Bansal

SECRETARIAT

1. Shri T.G. Chandrasekhar - Joint Secretary
2. Shri D.R. Mohanty - Director
3. Ms. Miranda Ingudam - Deputy Secretary
4. Shri Kulvinder Singh - Deputy Secretary

Witnesses

Representatives of the Ministry of Textiles

Sl. No.	Name	Designation
1.	Shri Upendra Prasad Singh	Secretary
2.	Shri Vijoy Kumar Singh	Additional Secretary
3.	Shri Shashank Priya	AS &FA
4.	Dr. Shakuntla	CCA
5.	Shri Jogiranjana Panigrahi	Joint Secretary
6.	Shri Nihar Ranjan Dash	Joint Secretary
7.	Shri Sanjay Sharan	Joint Secretary
8.	Shri Gaurav Kumar	Economic Adviser & CMD (HHEC)
9.	Shri Shantmanu	Development Commissioner (Handicrafts)
10.	Shri Sanjay Rastogi	Development Commissioner (Handlooms)
11.	Smt. Roop Rashi	Textile Commissioner, Mumbai
12.	Shri Moloy Chandan Chakraborty	Jute Commissioner, Secy (NJB)
13.	Shri A.K. Jolly	MD (JCI)
14.	Shri Mahendra Veer Singh Negi	MD (CCIC)
15.	Shri K.S. Shekhawat	ED, CWDB

2. At the outset, the Chairperson welcomed the Members of the Committee and the representatives of the Ministry of Textiles to the sitting of the Committee, convened to take oral evidence of the Ministry on 'Demands for Grants (2021-22)'. Drawing the attention of the representatives to Direction 58 of the 'Directions by the Speaker' regarding confidentiality of the proceedings during deposition before the Parliamentary Committees, the Chairperson asked the Secretary, Textiles to give an overview of the

actual expenditure for the previous year (2020-21) and Budgetary provisions for the year 2021-22 for various programmes/activities/schemes and the plan of action on the part of the Ministry for optimal utilisation of the earmarked funds and maximum achievements in physical targets.

3. The Secretary, Textiles accordingly gave a brief overview of the implementation of Schemes/Programmes by the Ministry of Textiles and apprised the Committee of the achievements, physical performance and measures taken for overall utilisation of funds and implementation of various Schemes/programmes currently in operation. Thereafter, Additional Secretary of the Ministry gave PowerPoint Presentation *inter-alia* highlighting financial performance for last 3 years; scheme wise expenditure; Proposed/Actual Outlay for 2021-22; expected outcome of Silk Samagra (2021-22); performance of Cotton Corporation of India; Jute Sector; Handloom and Handicraft Sectors; Scheme for Integrated Textile Parks (SITP); National Institute of Fashion Technology; Samarth Scheme for Capacity Building in Textiles Sector; Amended Technology Up-gradation Fund Scheme; PowerTex India; Technical Textiles; New Initiatives in Technical Textiles; Mega Integrated Textile Regional Apparel Parks (MITRAS); etc.

4. The Secretary and other representatives of the Ministry also responded to various queries raised by the Members which *inter-alia* included promotional activity being done towards production of International Standard Quality Silk; social security available to weavers; reasons for consistent decrease in BE for last 3 years vis-a-vis their proposals; measures being taken by the Ministry to control/ prevent the imported Handloom/Handicraft toys from China and other Countries; Branding of Indian Handloom & Handicraft products and establishments of e-commerce/market for these products; reasons for delay in setting up of Scheme for Integrated Textile Parks (SITPs) and their current status; steps to enhance the Tribes India fairs for Handloom and Handicraft products marketing; Year-wise Action for implementation of National Technical Textile Mission (NTTM); clear guidelines for optimum utilisation of allocated funds and effective implementation of Schemes under the Ministry; details of State-wise census Report on Handloom weavers and Handicraft artisans in the Country; specific measures taken by the Ministry to support the Handloom weavers and Handicraft artisans during the Covid-19 Pandemic time; current status of pending committed liabilities under the PowerTex during 2020-21 and its status after 31.03.2020; details of

Budget allocation for the restructure/turn around of the National Textile Corporation (NTC) during the last 3 years; recent research developments in silk industry and details of any research on new Lotus Silk production by Central Silk Board (CSB); the status of implementation of A-TUFS in technology upgradation of machinery of Indian Textile Industry; availability of adequate raw material required for manufacturing of PPE kits and N-95 mask in the Country; action plan of the Ministry for setting up of 7 MITRAs; etc.

5. As some points required detailed and statistical reply, the Chairperson asked the Secretary, Ministry of Textiles to furnish written replies thereon within three days. The Secretary assured to comply.

6. The Chairperson, then thanked the Secretary and other representatives of the Ministry for furnishing valuable information on the subject and responding to the queries of the Members.

(The witnesses then withdrew)

[A copy of the verbatim proceedings was kept on record]

The Committee then adjourned.