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**STANDING COMMITTEE ON LABOUR, TEXTILES AND SKILL
DEVELOPMENT**

(2021-22)

(SEVENTEENTH LOK SABHA)

MINISTRY OF TEXTILES

**Action Taken by the Government on the Observations/
Recommendations of the Committee contained in their Eighteenth
Report (Seventeenth Lok Sabha) on Demands for Grants (2021-22) of
the Ministry of Textiles**

TWENTY SEVENTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

December, 2021/ Agrahayana, 1943 (Saka)

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Report (Seventeenth Lok Sabha) on Demands for Grants (2021-22) of
the Ministry of Textiles**

Presented to Lok Sabha on 13.12.2021

Laid in Rajya Sabha on 13.12.2021



LOK SABHA SECRETARIAT

NEW DELHI

December, 2021/ Agrahayana, 1943 (Saka)

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Appendix- I	Minutes of the Sitting of the Committee held on 10th December, 2021.
Appendix- II	Analysis of the Action Taken by Government on the Observations/ Recommendations contained in the Eighteenth Report (Seventeenth Lok Sabha)

* Not appended with this cyclostyled copy.

**COMPOSITION OF THE STANDING COMMITTEE ON LABOUR, TEXTILES AND
SKILL DEVELOPMENT**

(2021-22)

Shri Bhartruhari Mahtab - Chairperson

**MEMBERS
LOK SABHA**

2. Shri Subhash Chandra Baheria
3. Kunwar Pushpendra Singh Chandel
4. Shri Ravikumar D.
5. Shri Pallab Lochan Das
6. Shri Pasunoori Dayakar
7. Shri Feroze Varun Gandhi
8. Shri Satish Kumar Gautam
9. Shri B.N. Bache Gowda
10. Dr. Umesh G. Jadhav
11. Shri Dharmendra Kashyap
12. Shri Pakauri Lal Kol
13. Adv. Dean Kuriakose
14. Shri Sanjay Sadashiv Rao Mandlik
15. Shri Khalilur Rahaman
16. Shri Naba Kumar Sarania
17. Shri Bhola Singh
18. Shri Ganesh Singh
19. Shri Nayab Singh
20. Shri K. Subbarayan
21. Shri Giridhari Yadav

RAJYA SABHA

22. Shri Naresh Bansal
23. Shri Neeraj Dangi
24. Shri Dushyant Gautam
25. Shri Elamaram Kareem
26. Ms. Dola Sen
27. Shri M. Shanmugam
28. Shri Vivek Thakur
29. Shri Vijay Pal Singh Tomar
30. Vacant
31. * *Vacant*

SECRETARIAT

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

* Vacancy occurred *vice* Dr. Banda Prakash resigned *w.e.f* 04.12.2021.

INTRODUCTION

I, the Chairperson, Standing Committee on Labour, Textiles and Skill Development (2021-22) having been authorized by the Committee, present on their behalf this Twenty Seventh Report on Action taken by the Government on the Observations/ Recommendations of the Committee contained in their Eighteenth Report (Seventeenth Lok Sabha) on Demands for Grants (2021-22) of the Ministry of Textiles.

2. The Eighteenth Report was presented to Lok Sabha and laid in Rajya Sabha on 16th March, 2021. The Ministry of Textiles furnished their replies on 25th June, 2021 indicating Action Taken on the Observations/ Recommendations contained in the Eighteenth Report. The Committee considered and adopted the Draft Report at their sitting held on 10th December, 2021.

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

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

New Delhi;
10 December, 2021
19 Agrahayana, 1943 (Saka)

BHARTRUHARI MAHTAB
CHAIRPERSON,
STANDING COMMITTEE ON
LABOUR, TEXTILES AND SKILL
DEVELOPMENT

CHAPTER-I

REPORT

This Report deals with the action taken by the Government on the Observations/Recommendations of the Committee contained in their Eighteenth Report (Seventeenth Lok Sabha) on 'Demands for Grants (2021-22) of the Ministry of Textiles.

2. The Eighteenth Report was presented to Lok Sabha/laid in Rajya Sabha on 16th March, 2021. It contained 44 Observations/Recommendations. Replies of Government in respect of all the recommendations have been received and are categorized as under:-

(i)	Observations/Recommendations which have been accepted by the Government – Rec. Para No. 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 21, 22, 23, 25, 26, 27, 28, 29, 30, 31, 32, 33, 35, 36, 37, 38, 39, 42, 43 and 44.	Total: 36 Percentage: 81.80%
(ii)	Observations/Recommendations which the Committee do not desire to pursue in view of the Government's reply – Nil.	Total: 00 Percentage: 00
(iii)	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration – Rec. No. 18, 19, 20 & 41.	Total: 04 Percentage: 9.10%
(iv)	Observations/Recommendations in respect of which replies of the Government are interim in nature – Rec. No. 10, 24, 34 and 40.	Total: 04 Percentage: 9.10%

3. The Committee desire that Action Taken notes in respect of Observation/Recommendations contained in Chapter I and Final Action Taken Replies in respect of the Recommendations contained in Chapter V of this Report for which interim reply has been given by the Government, may be furnished to them at the earliest.

4. The Committee will now deal with some of their earlier Observations/ Recommendations which either require reiteration or merit further comments.

I. PowerTex

(Recommendation Para Nos. 18, 19 & 20)

5. In their earlier Report, the Committee had desired 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.

6. The Committee had also noted that Powerloom Sector provided employment to 44.18 Lakh persons and contributed 60% of total cloth production in the Country. More than 60% of fabric meant for export was also sourced from Powerloom sector. The Committee were deeply concerned to find that despite such achievements, the Powerloom Weavers were exploited by the trading community and middlemen/ intermediaries by giving very less work payments to them. There was very little social security for the workers employed in the unorganised powerloom sector, except insurance cover and benefits under a few schemes. The Committee had exhorted the Ministry to look into these matters with a sense of urgency and take suitable corrective measures so as to prevent exploitation of the Powerloom Weavers as well as to provide them requisite social security.

7. Further, agreeing with the Ministry's assurance to continue the total committed liabilities of Rs. 179.74 crore under Powertex India Scheme upto the Financial Year 2025-26, the Committee also desired that critical sub-components be included in the revamped scheme.

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

"The details of funds released to major Sub-Scheme under Powerloom sector are as under:

- Group Workshed Scheme: Rs.15.37 crore released to 41 projects.
- Common Facility Centre: Rs.5.33 crore released to 3 projects.
- In-Situ upgradation: Rs.11.64 crore released for upgrading 9525 looms.
- PM Credit Scheme (Stand-Up India): Rs.10.74 crore released to 87 units.
- Powerloom Service Centres(PSCs): Rs.4.70 crore released to 32 Non Textile Commissioner PSCs.
- Textile Commissioner Powerloom Service Centre(PSC) (15) Exp: Rs.6.21 crore released for administrative expense (up to 31.03.2021

PowerTex

The details of funds allocated and utilized 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*(tentative)	53.99 as on 31.03.2021
2021-22	50.00	-	-

All possible efforts are taken by the Ministry to utilize the maximum fund allocated and as such an amount of Rs.53.99 crore has been spent up to 31.03.2021. Complete BE could not be utilized since Rs.30 crore was allotted under Special Component Plan for Schedule Caste (SC) sub-head and due to non availability of single application of any SC candidate under any component of PowerTex India, the same was approved for surrender immediately as in allocation. Further, infrastructure related projects sanctions under "Group Workshed Scheme" and "Common Facility Centre Scheme" sub-components of PowerTex India were delayed due to Covid-19 pandemic hence about Rs.17.30 crore could not be utilized against authorised amount. Further, under General sub-head an amount of Rs.4.0 crore could not be utilized since outlay for Tex Venture Fund sub-component was not kept in revised Standing Finance Committee(SFC). For continuation of Powerloom sector scheme beyond 31st March, 2021, a SFC/ Expenditure Finance Committee (EFC) note for

continuation of the scheme for 5 more years from 2021-22 to 2025-2026 is under process."

9. The Committee are disappointed with the reply of the Ministry because instead of spelling out specific action taken on each Recommendation, they have clubbed Recommendation Paras 17 to 20 and furnished a consolidated reply which does not address the concerns raised separately. While advising the Ministry to furnish action taken note to each observation/recommendation appropriately in future, the Committee reiterate that a concrete action plan be prepared to upgrade/modernize all the powerlooms in the Country so as to increase the productivity and quality of fabric. The Committee also desire the Ministry to take requisite effective measures to prevent exploitation of weavers by the trading community and middlemen/intermediaries besides providing them with adequate social security facilities. The Committee further impress upon the Ministry to expedite the bureaucratic process so as to ensure continuation of the Powerloom Scheme with the critical sub-components included in it, for five more years from 2021-22 to 2025-26 which in turn would honour the committed liabilities.

II. SAMARTH/INTEGRATED SKILL DEVELOPMENT SCHEME (ISDS)

(Recommendation Para No. 33)

10. In their earlier Report, the Committee had called 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 was 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 programme could be modified/amended/fortified accordingly. Further, it was 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.

11. In their Action Taken Note furnished to the Committee, the Ministry have submitted as under:

"Samarth scheme has been formulated in complete alignment with the overall skill development framework adopted by Ministry of Skill Development & Entrepreneurship (MSDE) under the 'Skill India' initiative of the Government. The costing of training programme under Samarth is as per the Common Cost Norms adopted for skilling programme by MSDE.

It is to be noted that the major objective of the scheme is to provide demand driven, placement oriented National Skills Qualifications Framework (NSQF) compliant skilling programmes in line with the policy guidelines of MSDE to incentivize and supplement the efforts of the industry in creating jobs in the organized textile and related sectors, covering the entire value chain of textiles, excluding Spinning and Weaving. As per the scheme guidelines, Textiles Committee, a statutory body under Ministry of Textiles has been engaged as Resource Support Agency (RSA) inter-alia with functions to identify skill development needs in consultation with sector skill councils / industry, to standardize course content and align the courses with National Skill Qualification Framework (NSQF). The courses are developed after extensive consultation/ validation by the industry and further requirement of developing new courses is assessed in consultation with the stakeholders from time to time.

As per the scheme guidelines, 30% of the cost of overall training target sanctioned to Implementing Partners is released as advance upon sanction of target and submission of bank guarantee by the agencies. The next installment is released upon achieving proportionate physical progress in training programme and utilization of funds released as advance. The last and final

installment will be released upon the agency completing all physical milestones of training programme and also complying with the requirement of providing mandatory placement to the trained beneficiaries and their retention in the employment. The implementing partners are also required to mandatorily track the beneficiaries after placement.

After extensive discussion with stakeholders, a provision of up-skilling/re-skilling of existing workers in apparel & garmenting segment has been operationalized under the scheme. Specific up-skilling courses have been developed in consultation with the textile industry and exclusive RFP was floated for empanelling of textile industry partners for undertaking up-skilling programme. A total of 44 textile industry partners have been empanelled and allocated training target for up-skilling programme. These training programmes are conducted within the factory premises with a condition to provide placement to 90% of the beneficiaries and requirement of tracking of such trainees after placement. The details of placement and tracking are also captured in the MIS.

Under the scheme, special focus has been given to promote skilling and skill upgradation in traditional sectors such as handloom, handicrafts, silk and jute. In this regard, training target has been allocated to Sectoral organizations of Ministry having well-built field networks and various State Government agencies to support artisans/weavers community for enhancing their skill level and also to infuse new technologies in improving their products to fetch better market access domestically and internationally. This is in addition to various plan schemes implemented by Sectoral organizations of Ministry in promoting traditional textile sectors."

12. The Committee appreciate that subsequent to the Ministry's extensive discussions with stakeholders, a provision of up-skilling/re-skilling of existing workers in apparel & garmenting segment with specific upskilling courses has been operationalised under Samarth Scheme. Accordingly, 44 textile industry partners have been empanelled and allocated training target within their factory premises with a condition to provide placement to 90% of beneficiaries as well as to track such trainees after placement. The Committee urge the Ministry to periodically gauge the performance of the implementing agencies so as to ensure that

the stipulated conditions are unfailingly adhered to by the training partners for the benefit of the existing workers. The Committee further desire that the Ministry should continue to accord special focus to promote skilling and skill upgradation in traditional sectors such as handlooms, handicrafts, silk and jute under SAMARTH Scheme so that the Artisans and Weavers are adequately supported in enhancing their skills and quality of products to fetch better market access both domestically and internationally.

III. REVIVAL/TURNAROUND OF NATIONAL TEXTILE CORPORATION (NTC)

(Recommendation Para No. 41)

13. In their Eighteenth Report, the Committee were deeply concerned to note that NTC had been incurring losses for the last three consecutive years. Low modernization level, locational disadvantage, economy scale, absence of forward integration and value addition, poor infrastructure, use of outdated technology etc were cited as the major challenges faced in the effective functioning of NTC. In order to address the above challenges NTC had 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 modernization 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 was on the threshold of upgrading its technology in the operating mills and was looking forward to modernization, expansion, product diversification including Technical Textiles, the Committee had urged 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 revive.

14. In their Action Taken Note furnished to the Committee, the Ministry have stated that the suggestions of the Committee are noted.

15. The Committee are not convinced with the evasive reply of the Ministry as they have not spelt out the specific and detailed measures contemplated for the revival of NTC. The Committee therefore reiterate and stress that the Ministry should come out with a definitive and unequivocal action plan for the turnaround of NTC more so when the Company is on the threshold of technological upgradation of its operating mills and venturing into modernisation, expansion, product diversification etc.

IV. DEVELOPMENT OF TEXTILE INDUSTRY IN NORTH EASTERN REGION

(Recommendation Para No. 42)

16. In their earlier Report, the Committee had noted 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 were proposed to be provisioned under Silk Samagra 2.0 Scheme from 2021-22 onwards. The Committee were of the considered view that onus lied 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.

17. In their Action Taken Notes furnished to the Committee, the Ministry have submitted as follows:

"(i) As per the letter No. 08/02/2020-NERTPS , dated 30.07.2020, out of Rs.125.00 crore BE for 2020-21, the balance fund as per scheme outlay was only 91.99 crore, The total expenditure made under the NERTPS Scheme during the year 2020-21 was Rs.78.375 crore. The total utilization of the scheme outlay was Rs.486.39 crore out of Rs.500.00 crore (which is 97.28% of Rs.500.00 crore).

(ii) Upto December, 2020, about 35,411 acres 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). Upto December 2020 Ministry has released Rs.745.69 crore for the sericulture projects under NERTPS, contributing creation of assets at individual beneficiary level and for common facility level (Construction of rearing houses, seed grainages, reeling infrastructure, mounting halls, plantation etc.). Due to Covid-19 and restrictions imposed, NE state Implementing Agency could not implement the sericulture project under NERTPS as per target set in the Detailed Project Report. The fund earlier released also could not be fully utilized by the IA (Implementing Agency) due to Covid-19 restrictions which further reduced the fresh proposals. Therefore, Central Silk Board (CSB) did not receive enough proposals from IA. Hence the actual fund requirement for 2020-21 was worked out to Rs.78.93 crore.

(iii) As per direction of the Department of Expenditure, Government of India, the various Central Sector Schemes have been rationalized and schemes with similar objectives are proposed to be merged under one scheme. Keeping in view the said guidelines of the Department of Expenditure, the Ministry of Textiles has decided to discontinue the Ministry's umbrella scheme "NERTPS". Ministry of Textiles has directed the Central Silk Board vide letter F.No.06/01/2020-NERTPS dated 5.01.2021 to continue the project based sericulture activities in North East under the proposed Silk Samagra-2 scheme in line with the NERTPS with necessary budgetary provision under NE Budget head of Ministry.

(iv) Accordingly, CSB has taken action to include sericulture projects for North East (NE) in the EFC for Silk Samagra by taking due care to meet the specific requirements of NE in line with the existing guidelines of NERTPS. CSB will also ensure the appropriate re-alignment of aims and objectives of NERTPS by subsuming it under the broad framework of Silk Samagra."

18. The Committee note that as per the directions of the Department of Expenditure, Government of India, the various Central Sector Schemes have been rationalised and schemes with similar objectives are merged under one scheme. Accordingly, the Ministry of Textiles have decided to discontinue the Ministry's umbrella Scheme 'NERTPS' and directed CSB to continue the project based sericulture activities in North East under Silk Samagra-2 Scheme in line with NERTPS with necessary budget provisions under NE budget need of the Ministry. The Committee believe that CSB

has taken action to include sericulture projects for NE in EFC for Silk Samagra taking into consideration the specific requirements of the NE States and the pressing need for appropriate realignment of the aims and objectives of NERTPS with the framework of Silk Samagra. The Committee also recommend that equal focus be paid towards the development of other traditional sectors in the NE Region like handlooms, handicrafts, jute, etc so as to ensure the growth and expansion of overall textile sector in that Region.

New Delhi;
10 December, 2021
19 Agrahayana, 1943 (Saka)

BHARTRUHARI MAHTAB
CHAIRPERSON,
STANDING COMMITTEE ON
LABOUR, TEXTILES AND SKILL
DEVELOPMENT

**STANDING COMMITTEE ON LABOUR, TEXTILES AND SKILL
DEVELOPMENT**

(2021-22)

Minutes of the Fourth Sitting of the Committee

The Committee sat on Friday, the 10th December, 2021 from 1015 hrs. to 1045 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Shri Bhartruhari Mahtab, Chairperson

Lok Sabha

2. Shri Subhash Chandra Baheria
3. Shri Ravikumar D
4. Shri Dharmendra Kashyap
5. Adv. Dean Kuriakose
6. Shri Khalilur Rahaman
7. Shri Naba Kumar Sarania
8. Shri Bholu Singh
9. Shri Nayab Singh

Rajya Sabha

10. Shri Naresh Bansal
11. Shri Neeraj Dangi
12. Shri Dushyant Gautam
13. Shri Vivek Thakur
14. Shri Vijay Pal Singh Tomar

SECRETARIAT

- | | | | |
|----|-------------------------|---|---------------------|
| 1. | Shri T.G. Chandrasekhar | - | Joint Secretary |
| 2. | Shri D.R. Mohanty | - | Director |
| 3. | Shri Sanjay Sethi | - | Additional Director |
| 4. | Shri K.G. Sidhartha | - | Deputy Secretary |

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee, convened for consideration and adoption of the following Draft Reports on:

(i) XX XX XX XX.

ii) Action taken by the Government on the Observations/ Recommendations of the Committee contained in their Eighteenth Report (Seventeenth Lok Sabha) on 'Demands for Grants (2021-22)' of the Ministry of Textiles;

(iii) XX XX XX XX.

(iv) XX XX XX XX.

3. Giving an overview of the important Observations/ Recommendations contained in the Draft Reports, the Chairperson solicited the views/ suggestions of the Members.

4. The Committee, then, took up the Draft Reports one by one for consideration and after some discussions adopted them.

5. The Committee then authorized the Chairperson to finalise the Report and present the Report to Parliament on Monday, the 13th December, 2021.

The Committee then adjourned.

XX Does not pertain to this Report.

(Vide Para No. 3 of the Introduction)

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

	Total	Percentage
I. Total number of Recommendations	44	
II. Recommendations/Observations which have been accepted by the Government – Rec. Para No. 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 21, 22, 23, 25, 26, 27, 28, 29, 30, 31, 32, 33, 35, 36, 37, 38, 39, 42, 43 and 44.	36	81.80%
III. Recommendations/Observations which the Committee do not desire to pursue in view of the Government's reply – Nil	00	00%
IV Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration – Rec. No. 18,19,20 &41	04	9.10%
V Recommendations/Observations in respect of which replies of the Government are interim in nature – Rec. No. 10,24,34 and 40.	04	9.10%
		100%