



# AITUC DIGITAL ARCHIVE - 2021

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Folder Code: 4 File No. AI-41 S. No. \_\_\_\_\_

Digital File Code: \_\_\_\_\_

File Title: AITUC Working Committee Meeting Documents, New Delhi (17-18 February, 1996)

Year: 1996 / \_\_\_\_\_ / \_\_\_\_\_

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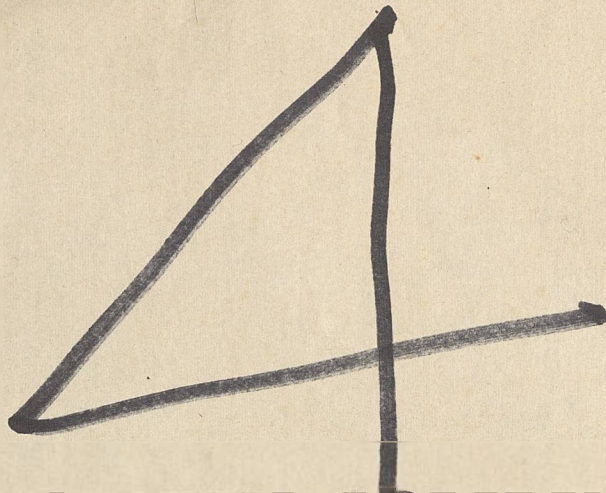
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**ALL INDIA TRADE UNION CONGRESS**



**WORKING COMMITTEE  
MEETING**

(NR)

**DOCUMENTS**

**17 & 18th February, 1996  
New Delhi**

NOTE ON ENGINEERING INDUSTRY

Engineering Industry covers a wide range of engineering branches such as Auto\_Mobile, Electrical, Electronics, Machine Tools, Machine Building, Aircraft, Heavy Engineering, Medium & Light Engineering, Ship building, Textile Engineering, Foundries & Forge, General Engineering repair shops etc. (Steel and Aluminium are excluded). They are in Central Public Sector, State Public Sector, Multinational Companies, big industries in the private sector, Ancillaries to the big engineering industries, and SSIs.

Central Public Sector Engineering Units such as BHEL, BEL, HAL, BEML, IPTI, HMT, ECIL, BDL, Midhani Engineers (India), Goa Ship yard, HCL, etc. put up their own demands and reach settlements on all India basis, at their Corporate levels. They are Coordinated by the local/regional forums (such as JAF of Bangalore, Co-ordination Committee in Hyderabad) or the national forum (CPSFU). Their settlements and struggles are no way connected to either state public sector industries or others in private sector.

Most of the State Public Sector Engineering Units are supposed to be sick or loss making. They also make unit wise settlements, barring a few exceptions. Some of the state PSUs have adopted, by virtue of the clause in their settlements, DA pattern as applicable in the Central PSUs, despite the fact the former have their respective local consumer price index for neutralisation of cost of living.

The big and well to do engineering industries in private sector such as Larsen & Toubro, Mahindra & Mahindra and Greaves Cotton, A.B.B., MICO, Telco, Kirloskar, Ingersal-Rand, David Brown Greaves put up their own demands, make settlements which are comparably much better than even some of the public sector industries in the same field, depending upon their bargaining position and situation prevalent in each industry.

some of the Multi-unit companies such as L & T, ABB, Kirloskar etc. arrive at different settlements in each unit, situated in different regions, taking into consideration the regional and historical factors pertaining to each unit.

In some states viz West Bengal & Bihar and to some extent in Haryana, state level tripartite meetings are held and state level settlements are periodically entered into which invariably cover the medium and smaller industries in the general engineering sector. The Central & State Public Sector are generally excluded even in these settlements as they follow a different pattern of wage scales, DA, HRA system.

While a number of Central PSUs amongst the engineering industries have become sick and referred to BIFR (Wagon Industry, Scooters India, HEC, NBCI, CCI, Burn & Standard, Gessup & Co. Ltd., Bharat Brakes Valves, Bharat Pumps & Compressor, NAMC, BPME, NIL, BOGL): consequently neither wage revisions have taken place nor the revised DA is implemented, as per the Govt. directives in these industries.

Similarly a number of PSUs in the states have also become sick due to various reasons attributable to the Govt. Policy & attitude towards the industries, managements failure, lack of timely decision for modernisation etc. besides the work culture/management culture (these causes can be attributed in respect of Central PSUs also). The wage revisions are not totally prohibited in these cases.

The SSIs and ancillaries are on the increase in the Engineering Industry. Almost all industrial estates in every state are full of such engineering industries. Certain State Govts have selected a ... away from the state capitals (e-g Hosur in Tamil Nadu, Peethampur in MP etc.) and provided in-fra-structure besides concessions to the these employers to set up industries in these backward areas. Even unions are not formed in many of these units, let alone settlements based on collective bargaining. The employer in these cases do not even implement minimum wages which itself is very low.

Yet another section of workers who continue to suffer and whose numbers is on the increase after the NEP/NIP is the contract/casual workers. Some of the small units are run by only contract labour. No serious attempt has been taken by the organised workers movement to unite and help to get them equal wage.

Organising the unorganised in the small and medium industries and the contract labour in the Engineering Industry will help to activate our movement.

In the light of the above circumstances prevalent in

the Engineering Industry, there is no common slogan worth considering for uniting all the engineering industries and go for a common, united agitation.

There is a demand, raised recently in our Engineering Workers Conference held in Pitampur (Madhya Pradesh) for constitution of wage Board for the Engineering Industry.

In this connection, it is to be recalled that the AIFUC as well as the other Central Unions have decided in opposition to the formation of Wage Boards and since nearly 2 decades there are no such wage Boards. Tripartite and Bi-partite settlements encouraged, wherever possible in the state or national level also.

In the last meeting of the available functionaries of the National Federation of Engineering workers of India and the leading comrades working in the Engineering Industries, it was decided as follows:

1. The National Conference of the Engineering Workers Federation will be held, at Ranchi, a month after election.
2. While there is no commonly applicable demand/ slogan for the entire engineering industry, the issues affecting the other industries in the prevailing circumstances, such as Contract Labour, Sickness, effects of the NEP/ NIP etc. affect the Engineering industry also will be considered.
3. In the small & medium scale Engineering Industries, isolated struggles are going on for improving the working and service conditions of the workers.
4. A preparatory Committee consisting of Com. H.Mahadevan, Com. Ram Sen, Com. P.K.Ganguly, Com. Dharshan Singh, and Dr. Kango will work out the details for the ensuing National Conference.
5. Industry wise reports to be prepared by the concerned Comrades\* and sent to Com. Ram Sen for the preparation of a draft report and this will be finalised by the preparatory Committee.  
\*( Preparation of small & Medium scale sector report by Com. Dharshan Singh, Central & State Public Sector Industries Report by Com. H.Mahadevan, Major Private Sector Industries Report by Com. P.N. Rama Rao was agreed to. Com. Ram Sen will prepare on Automobile Industry, Com. Jothi Lahiri will prepare Ship Building Industry, Wagon Building Industry by , on Aircraft/

Aeronautics Industry by Com. H. Mahadevan, were also agreed to)

6. In the Conference, specific committees for each industry/sector will be formed to enable them to function effectively.

regarding the small scale Engineering it is proposed-

- That the Tripartite settlement state wise to be demanded and the workers of these industries organised on the basis of a common demand in each state, including abolition of contract system, equal wage for same or similar nature of jobs.
- That implementing/improving the minimum wage for Engineering Industry could be the common demand; programme of actions to be chalked out amongst the small scale engineering workers. Solidarity action by the other engineering workers in their support should also be worked out.

In the National Conference of the Engineering Federation, further task of organising the Engineering Workers, Industry wise, sector wise could be planned.

( H. MAHADEVAN )

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ALL INDIA TRADE UNION CONGRESS

24, Canning Lane, N. Delhi-1.

President : M.S. KRISHNAN  
Gen. Secy. : A.B. BARDHAN  
Dy. Gen. Secy. : B.D. JOSHI

WORKING COMMITTEE MEETING  
17-18 February 1996.

SUB: Safety, Health & Environmental issue - our unions role and responsibilities.

Dear comrades,

In the General Council meeting held on 1 and 2nd November '95, there was a lively discussion on the subject and a lot of suggestions and observations came from a number of participants. It was agreed after the discussions that the Secretariat will consider all aspects and views and come out with guidelines and Action Plan for the future.

We have considered this important subject. During the discussions the following views and observations came up:-

1. AITUC Centre should coordinate the unions' actions on Safety, Health and Environmental issues.
2. Our Unions must demand solutions to the pollution problem in the interest of the people/surrounding areas (e.g. Ramgundam NTPC experience - unions gave strike notice and NTPC came up with a grant of Rs.75 lakhs to solve the problem).
3. Dust to be stopped in open cast mines.
4. 100 years old Tannery industries caused water pollution in the entire area.
5. Unorganized workers like beedi workers have no relief at all.
6. We must attend to Environment-Ecology issues and our charter of demands to deal with.
7. In Pollution Control Board, there is no representation from Trade Unions.
8. Accident in Construction Industry is highest.
9. Our unions should actively participate in Safety Councils at State level.

PTO.....

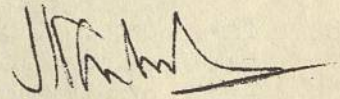
10. Seminars and classes to be conducted **for** our union cadres; Those who participate in the Works/Safety Committees, must be made conscious.
11. Durgapur Committee of AITUC is prepared to organise a National Seminar on the subject.
12. In hazardous scheduled industries, 5-days week to be brought in; So also in such industries Night Shift should not be more than 4 hours; And minor workers should not be employed in the Night Shift.
13. Radical changes to be made in the Factories Act; Similarly amendments to be made in the Environment Act and Mines Act also.
14. 'Preventive' measures to be urged by our unions.
15. Medical wing to be set up in the Inspectorate; Now there is no provision in the Factories Act.
16. Corrupt practices of the enforcement machinery to be tackled.
17. A Tripartite Committee on Environment to be formed.
18. Specialist doctors under the ESI Scheme are not available—role of ESI on OSHE.
19. S.C.'s decision on shifting of Industry—to be tackled with a view to remove the hazard and real estate lobby should not be allowed to take advantage of the situation.
20. Balance to be made between Ecology problem and the establishment of Industry.
21. Usage of dangerous chemicals for quick results to be avoided (a proper study on such chemicals to be made) (Tannery Industry).
22. DUPONT - permission denied in Goa, but Tamilnadu given permission.
23. Copper Sterliser Factory in Tuticorin, will result in mass death of sea fish.
24. Prohibition of women employees in polluting industries.
25. Casual and contract workers are the victims, without protection.
26. Accidents in mines - Mine Safety Conference was not held over the years.
27. Chemicals banned in the developing countries are produced in India.
28. International Toxic wastes are targetted to South Asia including India.



In the light of our experience over the decades in the factories and mines and in the light of the discussions that were held in our forums (WC, GC), we propose to offer the following guidelines, for adoption by our Federation/States/Units.

1. AITUC insist on 'Cleaner production' and not production at any cost.
2. There must be 'sustainable' development and development need not be a compromise on Environment and Safety.
3. Our demand is humane working conditions.
4. We insist on preventing measures/engineering controls rather than protective equipments or compensation towards hazardous working conditions.
5. There must be a 'code of conduct' for the MNCs/TNCs on matters relating to Safety, Health and Environmental protection.
6. Shifting of pollution from one place to other, even under the Supreme Court Directive shall not be agreed to; what is required is elimination of pollution, water, air and noise.
7. Trade Unions must be represented in the National as well as the State Pollution Control Boards; In the National Commission on Environment.
8. The Govt. should not allow import of Toxic wastes and production of banned Chemicals in India - Our members of Parliament will fight in legislative forums while our unions should conduct agitations, including physical prevention.
9. The Charter of Demands of all our unions must contain issues relating to Safety, Health and Environment, concerning the respective factory/industry; The settlement made by our unions should incorporate "green" clauses on the above and they should not be dropped or treated as withdrawn/not pressed. We shall also not compromise hazards or health by accepting monetary benefits/allowances.
10. Wherever Safety Committees are prescribed under the Factories Act/Mines Act, our unions must actively participate in them; Our members in these Committees should undergo training relevant to the respective industry and thus play meaningful role in these Committees.
11. State/Regional level classes/seminars will be organised by our state Committees/jointly by the State Committees in the region for the leading/industrywise cadres to make them competent to tackle the SHE issues.
12. Our unions/state Committees shall remain as 'watch dogs' over the functioning of the Factory Inspectorate/Safety officials in the factories/ESI authorities; Organize programmes ensuring their effective functioning and mobilise the common workers as and when lapses and inadequacies are found.

13. Our unions will become members of the National Safety Council of India, which will ensure automatic membership in the State chapters of NSC; participate in all the activities concerning Safety, Health and Environment programme.
14. Our unions may take up the cause of the public at large, on water/air/noise/soil pollution to rectify them and gain public sympathy (instead of allowing some 'motivated' NGOs to do the job).
15. Our State Committees to be vigilant and watchful that the hazardous units disallowed on public protest in some other state is not allowed in their states. If need be legal steps also to be taken by our cadres either directly mobilizing the masses or through public interest litigations.
16. Our unions must make it their duty to protect the contract and casual workers in the respective factories/industries to protect them from unsafe, unhygienic and inhuman working conditions."



(H. MAHADEVAN)  
SECRETARY

TEXTILE

After the AITUC General Council meeting at Hyderabad on November 1-2, 1995, a Dharna was staged by textile workers in front of the Parliament House on 12th December, 1995. The call for the Dharna was given by the Joint Action Committee of Textile Workers. About 4 to 5 thousand workers participated in the action. The AITUC unions from the adjoining states as also from Maharashtra and W. Bengal mobilised over 1500 workers. The programme was meant to pressurise the Govt. to implement the tripartite agreement on revival of NPC and reopening of the closed or partially closed textile mills in the private sector.

A memorandum was submitted to the Textile Minister listing the following demands:

1. Implementation of the 8-point unanimous agreement on NPC MILLS.
2. Opening of all the closed textile mills in the private sector and reabsorption of the two lakh workers rendered jobless.
3. Revival of all sick mills in consultation with the trade unions.
4. Implementation of Labour Laws, Social Security Measures, attendance cards and minimum wage in the Powerloom Sector.
5. Supply of Hank Yarn and other raw materials at subsidised rates and minimum wages in the Handloom Sector.
6. Formulating of a new integrated Textile Policy in consultation with the trade unions, so as to ensure a balanced development of all the three sectors and generate employment.

In the meeting held with the Minister with the representatives of JAC and Members of Parliament, including Com. Gurudas Das Gupta, M.P. , it was decided to hold a review meeting on 22nd December '95 on implementation of NPC agreement. The Textile Minister assured that the Finance Minister and Labour Minister would also be present in the meeting.

In the meeting held on 22nd December, the Finance Minister was not present. Both the Textile Minister and the Labour Minister were present. The NPC was once again directed to float global tenders for sale of surplus land and purchase of machinery for modernisation. Reservations were expressed in the meeting whether disposal of assets is possible when the cases of these subsidiaries are pending before the BIFR. The BIFR had in the meanwhile cleared publication of draft revival schemes in regard to NPC(SM), NPC(DPR), NPC(NM),. Both the Ministers also assured that they will approach the Prime Minister for releasing of funds by the Finance Ministry for payment of wages and arrears of P.F. and E.S.I. The next meeting was decided to be held on 29th January, 1996.

The BIFR in its hearings held on 2nd and 3rd January, 1996, observed that if Govt. does <sup>not</sup> write-off loans of NTC(MP), NTC(UP), NTC(Gujrat) and NPC(WBABC) it will be compelled to issue winding up orders for these subsidiaries. A delegation of JAC met the Finance Minister who assured that the Govt. is trying to find viable solution. On the next hearing before BIFR the offer of the Textile Ministry that it will not press for recovery of loan and interest from NTC was not accepted by the BIFR which gave another 15 days time to the Govt. to consider the issue again.

In the tripartite meeting held on 29th January writing-off of loans was the main issue. It was decided that a joint delegation of the Govt., NPC and CFUOs would meet the Chairman of the BIFR with a request not to pass the winding up order and allow Govt. more time on the issue. It was also decided to meet the Finance Minister once again. Both these meetings scheduled for 2nd February did not materialise as the Chairman of BIFR declined to meet the parties and the Finance Minister was out of Delhi.

The uncertainty prevails but BIFR has not fixed any date for hearing of the cases of these subsidiaries.

Another tripartite meeting was fixed for 30th January, 1996, to consider the situation in the private sector. The Textile Minister as usual was absent and no deliberations could take place. The Labour Minister advised the employers' representatives to submit revival plans through textile ministry, based on some study so that some meaningful discussion could be initiated in the next meeting.

Brief background notes submitted by the Labour Ministry for the above two meetings are being annexed for perusal of the members.

The JAC has given a call to observe 12th March as a Protest Day over the indifferent attitude of the Government. A separate detailed circular is being sent to our textile unions on the issue. An urgent meeting of JAC is being planned soon to chalkout other forms of action.

WORKING COMMITTEE MEETING OF AITUC

17-18, February, 1996,

WORKING WOMEN

AITUC had moved ahead to some extent on the front of Working Women after the discussion and some decisions taken in the last Working Committee meeting in April '95. After successful organising of Working Women Convention for two days in Delhi in the month of August for members from some of the Northern States, it led us to decide at our Hyderabad General Council meeting to organise three more regional level Conventions. For four Southern States to have Working Women Convention at Bangalore, for the State of Maharashtra, Goa, Gujarat & Madhya Pradesh to hold Convention in Bombay and for Bihar W.Bengal, Orissa and N-E States to hold Convention at Calcutta.

The West Bengal State Committee hosted one day Convention on March 31 at Calcutta. The time for preparation was kept to be very little, even then the states were informed promptly to send women participants. It turned out to be a one day Convention with 30 participants in all. Thirteen of them were from Manipur, four from Bihar and rest from West Bengal. The participants were mainly from Calcutta Capital City barring a few from 2-3 districts. Even though the participants were satisfied with the discussions held at the Convention and Conclusions drawn there on, but it did not fulfil the desired objectives.

There was sufficient material distributed among participants for dissemination of information.

The idea of having conventions is not only to have these as a ritual. The objective is to develop and train leadership among working women, to equip them with maximum information of their rights as workers and as women, to make them aware of the laws prevailing and the desired changes into them, their role in strengthening Trade Union movement and acting as collective to push through their concerns and issues.

Thus it is necessary to have maximum of two days Convention for serious deliberations with a feeling of full involvement in the exercise by every participant. That is the reason, Karnataka State Committee which is scheduled for March 24-25, has been asked to hold Convention for two days. Similarly the Bombay Convention should also be planned for two days.

These Conventions are to be followed by State Conventions in the post elections phase to culminate into a national convention by the end of the year.

We have planned a Punjab State Workshop in the month of March with about 20 women participants throughout the State jointly organised by AITUC-CTUC, to help build a state level team of Working Women, which could form a core-group for the follow up actions including State Convention at a larger scale.

Similar exercise could be followed up in some other States also. AITUC Centre will help the states to plan these workshops.

Our Nagpur AITUC Committee could not finalise the hosting of Anganwadi Workers Federation Conference due to unavoidable reasons. If it is not possible to hold Conference there then we would ask any other State to take the responsibility to host this Conference. We must plan to have it after May. March 8 is approaching and our unions should utilise the occasion not only to greet women on this day but also to organise some activity wherever possible.

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WORKING COMMITTEE MEETING OF AITUC

17-18, February, 1996.

ON CHILD LABOUR

After the General Council meeting in Hyderabad, we went ahead for preparations of the first National Workshop on Child Labour as launching of the Project. We sent a detailed circular to the State Committees of eleven targetted states to proceed for careful selections of 3 participants for National Workshop and 40 participants for their state Workshops. The responses from states were very late barring two States, that too after reminders and telephones. Even then the quota was not fulfilled by Rajasthan, Bihar, Kerala, Orissa and U.P. We had also sent a separate letter to other State Committees who are not there in the target category in the project, listing atleast one, to attend the workshop, so that they are apprised of all the issues and problems of Child Labour and could plan to do some activities in their states also including some project taking in future. But non of the comrade came from these states.

There were in all 24 comrades from outside Delhi and the rest about 15 were from Delhi. Apart from this there were some observers from other NGO's. The inaugural Session was graced by Deputy Director ILO, National Co-ordinator ILO-IPEC, Director National Labour Institute, AITUC leadership and Secretary from CITU. Apart from this Dr. Mahavir Jain, Co-ordinator, National Resource Centre on Child Labour from NLI, Justice Rajinder Sachar former Chief Justice, Delhi High Court, Secretary and Programme Incharge on Child Labour from CITU were amongst the resource persons.

The exhibition on Child Labour was displayed there all the three days and documentation and documentary showing was also taken up at the Workshop.

The Workshop was a success no doubt, but the target of participants was not met by the states which hindered in planning certain future activities. We had also asked the States to send a comrade who would Co-ordinate the project in the states. Except three states no state took the matter seriously.

Now we have to proceed for next phase of our project in which we have to organise 11 state workshops & 11 industrial level workshops in the coming months to complete the exercise by the month of May.

We propose that one member of State Secretariat must be given responsibility to lead the team, then only we would be able to take up the things at war-footing to honestly and sincerely implement the project. The idea to enter into this project was not only to work till the project is over but to make this task as one of the important ingredient of our activities, so that we the leaders of workers' organisation speak for child labour, sensitize the society to proceed to progressive elimination of child labour - a blot on our society.

Two states - A.P. and Kerala have already planned their state workshops at Hyderabad, A.P. on 25,26,27 February and Kerala on 9,10,11, March at Palghat. Delhi workshop is being planned for March end, the dates will be finalised soon.

We must plan at least three more workshops before elections, one could be Industrial level and others two could be state level workshops. The rest of the workshops should also be thoroughly planned even though for the month of May-June.

The state workshops should plan the union level workshops and action programmes in detail along with implementation procedure. The State Committees should also be able to decide where will the two model schools for working children run for six months - from July to Dec. 1996.

The detailed plan and agenda for the implementation of the project must be decided in advance after this executive and be intimated to the AITUC Centre.



Dated: 13.2.1996

Shri G.Venkat Swamy,  
Hon'ble Minister for Labour,  
Government of India,  
New Delhi- 110001.

SUB: Central Ordinance on Construction  
Labour - Regarding

REF: Our letter dated 27.1.96.

Dear Sir,

In continuation of the above letter, indicating the changes to be incorporated in the Central Bill pending before the Lok Sabha on Contract Labour, we would like to place the following additional amendments and clarification to our earlier letter dated 27.1.96.

- Item. 1 All individual requirements of construction labour for house construction, repairs, white washing, painting etc. to the concerned person, will have to take through the local boards by paying the charges plus 2% cess.
- Item.2 Add "medical benefits, maternity benefits and compensation in case of accidents".
- Item.6 Delete the words "(since in construction Govt. itself is employer)" and substitute with " The employer is Govt., private builders, cooperative societies etc."
- Item.9 Add the words "Private house building and maintenance" before the words "would keep ----- and so should go.

Thanking you,

Yours faithfully,

-Sd-

(H.MAHDEVAN)  
SECRETARY

AIFUC WORKING COMMITTEE MEETING  
17 - 18, February, 1996

CONSTRUCTION WORKERS' ORDINANCES---AIFUC's Views on

Sri G.Venkat Swamy,  
Minister of Labour  
Govt. of India.

Dated: 27.1.96

Dear Sir,

SUB: Central Ordinances on Construction  
Labour-Regarding

We are of the considered view that the following changes to be incorporated in the Central bills pending before the Lok Sabha, on Construction Labour.

1. To eliminate child labour and to ensure payment of minimum wages and equal wages and maintenance of work records, it's imperative that compulsory registration of employer and workers and regulation of employment takes through Tripartite Construction Labour Boards to be formed at State District, and Local levels while the Central Board would co-ordinate the functioning at the national level.
2. Provisions of Social Security measures such as ESI., PF., maternity benefit and medical assistance (in areas where there's no ESI) gratuity and monsoon allowance to construction labour be implemented through Tripartite Construction Labour Board.
3. Provision of creches, Stipends to children and Non formal Education for children of migrant labour are very important measures necessary for the protection of children of Construction Labour and to eliminate child labour.
  - i) Housing is basic need to be ensured through welfare measure.
  - ii) Skill training especially for women need to be provided by the Board.
4. All fatal accidents need to be enquired into and the causes found by Labour Officers and appropriate safety rules to be framed by the prevent such accidents.
5. Accident insurance for all construction workers as well as death benefits should be provided by the Board.

Contd... 2

6. The composition of the Board should be atleast 50% to be workers, (Since in Construction Government itself is employer) to be elected by registered workers by secret ballot with proportionate representation to women.
7. There should be no exemption given under the law to any category of employers and such exceptions are arbitrary and would pave way of corruption.
8. Cess on construction should be 2% of estimate cost (not 1% of incurred cost) to be collected by local bodies and passed on to State Board (not to the consolidated Fund of Govt. Of India).
9.
  - i) That the law would apply only to workers who are employed in an establishment employing 50 workers and above would only serve as escaperoute for the employers and to keep majority of workers from the purview of the law so the limitation should go.
  - ii) That the law would not apply to workers involved in house building activity would keep a large number of construction labourers from the purview of the law and so should go.
  - iii) That the law would not cover the supervisors earning above 1300 Rupees must also go and all supervisors be covered.

In addition, we also would like to emphasis that identity card to be provided to the construction workers.

we impress upon you to bring forth the bill incorporating the above amendments.

Thanking you,

Yours faithfully,

-Sd-

( H. MAHADEVAN )  
SECRETARY

AITUC WORKING COMMITTEE MEETING

17-18, February 1996.

INDIAN MINE WORKERS' FEDERATION

To

The Union Labour Minister,  
Government of India,  
New Delhi.

The Union Minister of Coal,  
Govt. of India,  
New Delhi.

SUB: Pension Scheme for Coal Miners.

Dear Sir,

The Indian Mine Workers Federation welcome the acceptance by the Government the principle of instituting a Pension Scheme for Coal Miners, and for that purpose promulgating the ordinance no.5 of 1996, dated 5th January, 1996. With a view to enabling the Govt. to introduce a proper and suitable "Pension Scheme" for Coal Miners in response to the long standing demand of the workers!

However, the proposed scheme suffers from certain basic defects which I bring to your notice.

F U N D

Regarding source of Fund the Govt. contribution on actual emoluments is limited to a worker earning maximum of Rs.1600/- per month.

In General Scheme for workers pension, the Govt. already agreed to contribute its for a worker earning of maximum of Rs.5000/- or more. Naturally coal workers should not be discriminated.

B E N E F I T S

In the proposed scheme for Coal Mines Pension Scheme the pensionable salary is based on the average of emoluments of last 36 months. This should be average of 10 months as already agreed in LIC Pension Scheme.

Widows pension should not be less than 300/- hundreds.

I am enclosing major suggestion of Indian Mine Workers' Federation to the proposed "PENSION SCHEME" for Coal Miners.

I hope you will consider those points while finalising the scheme.

Yours sincerely,

- Sd -  
(SUNIL SEN)  
GENERAL SECRETARY

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PTO.....

Major suggestions of Indian Mine Workers' Federation to the proposed Pension Scheme for Coal Miners.

1. Pension under the scheme should be linked to the Consumer Price Index.
2. Pensionable service must include past service under F.P.S. (instead of 2/3 it should full year of Past Service) and Pension should be calculated on the basis of last salary drawn in case of Daily rated workers and on the average of last 10 months salary/wages in case of Piece-rated workers.
3. In no case should any portion on pension fund for Coal Miners earn interest less than 15%.
4. Commutation upto 1/3rd of the pension must be provided in the scheme.
5. A special mechanism consisting of the representatives of workers (those organisations - member of JBCCI) the Provident Fund and the management should be set up to oversee and supervise smooth and efficient functioning of the scheme ensuring prompt service to the beneficiaries.

STATISTICS

Minimum Rates of Wages for the unskilled workers  
in different States/Union Territories

Name of State Government/U.P. Administration	Minimum rate of Wages and date of revision	Remarks
<b>1. STATES</b>		
Andhra Pradesh	Rs.11.00 to*Rs.40.00 p.d. (11.10.94)	Rates vary from employment to employment.
Arunachal Pradesh	Rs.21.00 to* Rs.24.00p.d. (1.11.90)	Rates vary from employment to employment and areas to areas.
Assam	Rs.25.30 to* Rs.32.00p.d. (10.2.92)	Rates vary from employment to employment
Bihar	Rs.21.00 to Rs.34.00p.d. (19.7.93)	Rates vary from employment to employment.
Goa	Rs.14.00 to Rs.27.00p.d. (7.2.92)	Rates vary from employment to employment.
Gujarat	Rs.15.00 to*Rs.37.50p.d. (1.4.94)	Rates vary from employment to employment(according to zones).
Haryana	Rs.1189-30p.m. (1.7.94)	Single rates for all employment.
Himachal Pradesh	Rs.24.00 to Rs.26.00p.d. (14.11.93)	Double rates for all employment.
Jammu and Kashmir	Rs.15.00 p.d. (24.3.89)	Single rate for all employment.
Karnataka	Rs.23.44 to*32.53p.d. (22.7.92)	Rates vary from employment to employment(according to zones).
Kerala	Rs.19.50 to*Rs.76.40p.d. (31.3.94)	Rates vary from employment to employment(according to zones).
Madhya Pradesh	Rs.30.36 to*Rs.33.92.p.d. (29.6.94)	Rates vary from employment to employment.

Maharashtra	Rs. 8.00 to* 69.10 p.d. (29.6.94)	Rates vary from employment to employment (according to zones).
Manipur	Rs. 37.90 p.d. (for plain) Rs. 40.90 p.d. (for Hill areas) (1.6.90)	Double rate for all employment.
Meghalaya	Rs. 35.00 p.d. (16.3.94)	Single rates for all employment.
Mizoram	Rs. 28.00 p.d. (6.7.92)	Single rate for all employment.
Nagaland	Rs. 25.00 p.d. (6.7.92)	Single rate for all employment.
Orissa.	Rs. 25.00 p.d. (1.7.92)	Single rate for all employment.
Punjab	Rs. 40.52 p.d. * (1.3.93)	Single rate for all employment.
Rajsthan	Rs. 22.00 p.d. (2.7.90)	Single rate for all employment.
Sikkim	Nil	Minimum Wages Act, 1948 is yet to be extended and enforced.
Tamil Nadu	Rs. 10.00 to * Rs. 56.25 p.d. (27.1.93)	Rates vary from employment to employment (according to zones).
Tripura	Rs. 11.80 to Rs. 23.65 p.d. (1.1.90)	Rates vary from employment to employment (according to zones).
Uttar Pradesh	Rs. 468.00 to * Rs. 1038.00 p.m. (3.1.94)	Rates vary from employment to employment (according to zones).
West Bengal	Rs. 17.40 to * Rs. 45.16 p.d. (1.12.93)	Rates vary from employment to employment (according to zones).

## II. UNION TERRITORIES

Andaman & Nicobar Islands	Rs. 27.00 to Rs. 28.00 p.d. (13.8.92)	Rates vary from employment to employment (according to zones).
Chandigarh	Rs. 1043.50 p.m. * (22.2.90)	Single rate for all employment.
Dadra & Nagar Haveli	Rs. 19.50 to Rs. 29.65 p.d. (15.12.92)	Rates vary from employment to employment (according to zones).

Daman & Diu	Rs. 22.00 to Rs. 27.00 p.d. (19.3.93)	Single rate, for all employment.
Delhi	Rs. 57.50 p.d.* (1.2.95)	Single rate; for all employment.
Lakshadweep	Rs. 30.00 p.d. (1.1.93)	Single rate, for all employment.
Pondicherry	Rs. 8.00 to Rs. 14.00 p.d. (15.12.89)	Rates for agricultural workers.
III CENTRAL GOVERNMENT	Rs. 31.02 to Rs. 46.42 p.d. (1.4.95)	Rates vary from employment to employment (according to areas).

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<sup>\*</sup>  
NOTE : Indicates the provisions of variable dearness allowance alongwith minimum rate of wages.

SOURCE: Labour Ministry



WORKING COMMITTEE MEETING  
17 - 18, FEBRUARY '96

THE COAL MINES PENSION SCHEME, 1996.

AN OUTLINE

COVERAGE

1. Applicable to all members to whom Coal Mines Provident Fund Scheme/ A.P.C.M.P.F. Scheme/and Rajasthan C.M.P.F. Scheme is applicable.

2. MEMBERSHIP

(A) COMPULSORY

- (1) Existing member i.e., member of Coal Mines Family Pension Scheme, 1971 (below the age of superannuation).
- (2) New entrant- who join any of the above Fund Scheme after the Scheme date, i.e., 1.4.89.

(B) OPTIONAL

- (1) Existing employees who had opted out of the C.M.P. Scheme, 1971 (contribution to be diverted from his Fund).
- (2) C.M.F.P. Scheme, 1971- Member retired on or after 1.4.94- provided he returns the retiral benefits already paid and refunds voluntary contribution from his employer with 6% interest from the date of payment to the date of option.

CONTRIBUTION FOR MEMBERSHIP : on Rs. 3,000/-

From 1.4.89 :

- |       |   |   |     |      |      |
|-------|---|---|-----|------|------|
| (i)   | 1.1/6% of total emoluments<br>(member's contribution)                             | - | Rs. | 35/- | p.m. |
| (ii)  | 1.1/6% of total emoluments  | - | Rs. | 35/- | p.m. |
| (iii) | 2% of total emoluments<br>(by member<br>(from 1.4.89 or joining Fund<br>if later) | - | Rs  | 60/- | p.m. |
| (iv)  | One increment payable with effect from<br>1.7.1995                                |   |     |      |      |

In addition - Central Government's Contribution at  
1.2/3% of emolument (based on maximum of Rs.1600/-)

For member who opted out of CMFP Scheme

Upto 31.3.84 based on emoluments of Rs. 1,000/-  
from 1.4.84 to 31.3.89 based on emolument of  
Rs. 1600/- only

3. CORPUS

- (A) Total amount available in the credit of Family and Life Assurance Fund in Public Account of Government of India as on Scheme date with Central Government on 8.5% interest.
- (B) Amount of contribution received in CMPF A/c. No. I and diverted to Pension A/c. No. I with S.B.I., Dhanbad-
  - (i) 1.1/6% of emoluments from member and 1.1/6% of emoluments from employer.
  - (ii) 2% of emoluments from members from 1.4.89.
  - (iii) One additional increment with effect from 1.7.95 or from date of joining whichever is later.
- (C) Contribution from Central Government based on emoluments (maximum Rs. 1600/- only). 1.2/3%
- (D) Interest earned out of deposit with Government @ 8.5% and investments from Pension A/c. No. I Not less than 12%.

4. VARIOUS BENEFITS PAYABLE UNDER THIS SCHEME

Emoluments- Average of past 36 months -

<u>Past Service</u>	-	2/3 of membership of CMPF Scheme upto 31.3.89.
<u>Pensionable Service-</u>		2/3 of past service + service from 1.4.89 subject to minimum of 10 years.
<u>Member's monthly Pension.</u>	-	20% of salary minimum of Rs. 300/-
<u>Emoluments</u>		3,000/- reasonable service, i.e. 30 years- M P E N = 600/-

Otherwise

Pensionable Service 30 X M P E N

Suppose - Pensionable service i.e. 20 years or 14 years

M P E N - (i)  $\frac{20 \times 600}{30} = 400/-$

(ii)  $\frac{14 \times 600}{30} = 280/-$

Provided at least 10 years of pensionable service rendered.

If member retires before attaining the age of superannuation but not earlier than 50 years of age pension will be payable at the percentage shown in the table according to the age of vesting of pension.

If member exits before 50 years of age he shall have to wait till attaining the age of 50 years for commencement as pension of per table.

Pension payable following the date of retirement till death as above but:

He can opt for revised pension; then he shall draw 90% of monthly pension and on his death nominee shall be paid 100 times the member's monthly pension:

If M P E N is 600/- he shall be paid 540/- P.M. and on death nominee shall be paid Rs 60,000/- and widow pension Rs.360/-

Or

Member can opt for further revised(reduced) pension payable as under:-

- (a) Member - 90% i.e., 540/- P.M.
- (b) On death of member to the widow till remarriage or death whichever is earlier. - 80% i.e., 480/- P.M.
- (c) Return of capital to the nominee - 54,000/-

Service below 10 years - Return of contribution as per table in Para 13.

PERMANENT DISABLEMENT

On bodily or mental infirmity - Provided that member rendered 10 years of service and his total service till the age of superannuation shall not be less than 30 years :-

M P E N = 20% of pensionable salary (as in M P E N)  
minimum Rs 200/-

In the event of lesser total service till the age of superannuation-

$$\frac{\text{Total service}}{30} \times \text{M P E N}$$

If emoluments are 3000/-

For total period 30 years of service till superannuation -

$$\frac{20 \times 3000}{100} = 600/-$$

For 12 years -  $\frac{12 \times 600}{30} = 240/$

For 10 years -  $\frac{10 \times 600}{30} = 200/-$

Benefits on death of member - Widow Pension

Death in service : 60% of pension payable had the member retired on the date of death ( Minimum Rs. 200/- ).

Emoluments 3000/- - Pensionable service 20 years

$\frac{20 \times 600 \times 60}{30 \times 100} = 240/-$

PLUS

Children pension limited to two children upto age of 25 years to son and 25 years or marriage whichever is earlier to the daughter-  
i.e., Rs. 120/- + 120/-

Note : For members of C.M.F.P. Scheme total of widow pension plus children pension will not be less than Rs. 640/- till 7 years following the date of death of member or attaining the age of 60 years or remarriage whichever is earlier and thereafter till remarriage Rs. 320/-

(ii) Death after retirement:

(A) 60% of M P E N / M D P E N to which member was entitled subject to minimum of Rs. 175/- (as worked out above )

$\frac{20 \times 600 \times 60}{30 \times 100} = 240/-$  and

(B) Children pension limited to two children per male child upto 25 years of age and for female child 25 years or marriage whichever is earlier :- 50% of widow pension to each child-  
120 = 120/-

(iii) Orphans Pension - On death of member/widow :

within the age limit as in the case of children pension - to two children - 50% of monthly widow pension payable to each child as worked out in the case of death in service or death after retirement.

Life Assurance Benefits -

When the member dies in service before attaining the age of superannuation a lumpsum of Rs.2,000/- shall also be payable to the widow/children in equal share/nominee/a person who is entitled to receive his P.F. accumulation.

WORKING COMMITTEE MEETING OF AITUC

17-18, February 1966.

All India Beedi, Cigar and Tobacco Workers'  
Federation

Our demands:

1. The fixation of National Minimum Wage in beedi industry. In the meantime fixation of minimum wage on regional basis. We demand to fix minimum wage at Rs.50 for rolling 1000 beedies.
2. Provision of uniform dearness allowance to all beedi workers.
3. Strict implementation of Beedi, Cigar workers (conditions of service) Act 1966 and the rules thereunder. Payment of paid weekly, holidays; 20 days leave with wages, maternity benefits to female workers and other benefits to all workers, provision wage slips, pass book and identity cards.
4. Provision for bonus, gratuity, P.F. Insurance to all workers.
5. Provision of pension to beedi workers as per the amendments suggested by AITUC.
6. The home work, contract and sale purchase system be abolished forth with and beedi workers be provided work in the factories.
7. Sufficient raw material viz. Tendu leaves, Tobacco & Dhaga for rolling 1000 beedies. Prices of raw material be brought-down. Uniform policy to distribute leaves be framed.
8. Benefits of welfare fund be provided to all beedi workers. Special housing scheme be drafted to provide houses for beedi workers under Indira Awas Scheme. Advisory committee's functioning be made more democratic.
9. A Committee be appointed to make survey of beedi Industry and about the workers wages, incomes and living .
10. Withdraw exemption of excise duty, and welfare cess given to manufacturer producing 20 lakhs beedies per year.
11. Ban on production and sale of Mini Cigarettes and withdraw permission given to Cigarette companies to manufacture Mini Cigarettes; Concessions given to cigarette industry in excise duty be withdrawn forthwith.
12. Provide protection to Beedi industry and the beedi workers' wages incomes and livings.
13. Encouragement and help be given to beedi working for forming beedi cooperatives.

## Background Note on Organised Textile Mill Industry

Cotton/Man-made Fibre Textile Mills Industry is the single largest organised industry in the country employing nearly 10 lakh workers.

### Capacity

The Indian Textile Industry has witnessed a phenomenal growth during the last four decades. The spindleage increased from 11 million in 1951 to 30.94 million in Oct. '95 and it is expected to reach a figure of 31.52 million by the end of March, 1996. The rotors increased from 45,000 in 1989 to 1,92,000 in Oct. '95. The loomage however, has declined from 1,50,000 in March, 1994 to 1,39,000 in March, 1995.

Out of 1451 Cotton/Man-made Fibre Textile Mills, 188 mills are in the Public Sector, 144 mills in the Co-operative Sector and 1119 mills are in the Private Sector.

### Capacity Utilisation

The capacity utilisation in the spinning sector of the Organised Textile Mill Industry has increased from 73% in 1989-90 to 81% in 1994-95. However, the capacity utilisation in the weaving sector of the organised textile mill industry has declined from 63% in 1989-90 to 51% in 1994-95.

### Production of spun yarn

#### **(a) Organised mill sector**

The production of spun yarn had increased from 587 million kgs. during 1988-89 to 2067 million kgs. during 1993-94. During 1994-95 the production, however, increased to 2090 million kgs. The production of spun yarn during the period April-September, 1995 is provisionally estimated at 1131 million kgs which is anticipated to increase to 2268 million kgs by the end of March, 1996.

#### **(b) Small Scale Spinning Sector**

In the recent years there has been considerable growth in the production of yarn by Small Scale Spinning Units. Mostly the SSI Units are concentrated in the

state of Tamil Nadu, though there are quite a few units in other States as well. On the basis of an estimate of annual production of yarn by small scale units, the production during 1994-95 was placed at 110 million kgs. The production of yarn by this sector in 1995-96(April-Sept.) has been estimated at 55.2 million kgs.

The maximum production of cotton yarn is in medium counts which accounts for about 49% of the total production.

#### Sickness/closure of textile mills:

There were 1451 mills(1183 spinning and 268 composite) in India as on 31.10.95. As on 31.3.95, 132 Cotton/Man-made fibre textile mills(74 spinning and 58 composite)with an installed capacity of 3652 thousand spindles, 3904 rotors and 366 thousand looms were reported to be closed. The number of closed cotton/man-made fibre textile mills increased to 159 (92 spinning and 67 composite) on 31.10.95 with an installed capacity of 4424 thousand spindles, 6032 rotors and 423 thousand looms. Out of 159 closed mills, it is further stated that no mill is permanently closed under I.D. Act, 35 mills are closed under official liquidation and 124 mills are temporarily closed due to financial problems, strikes, lockouts and power problems.

The growing incidence of sickness and closure in the organised textile industry has been a matter of great concern. One main reason of sickness is the structural transformation resulting in composite units in the organised sector losing ground to powerlooms in the decentralised sector on account of the latter's greater cost effectiveness. The other main causes of sickness/closure in industry can be attributed to various factors such as excess capacity, low productivity of both machines and labour due to lack of modernisation, practically stagnant demand and inability to exploit export market, increase in the cost of inputs, difficulties in getting timely and adequate working capital finance and internal factors.

#### Measures taken by the Government:

The Govt. of India has taken the following measures to tackle this problem:

- (i) Setting up of Board of Industrial and Financial Reconstruction(BIFR) for timely detection of sick and potentially sick companies and for taking preventive, ameliorative, remedial and other measures which need to be taken with respect to such companies;
- (ii) Setting up of Textile Workers' Rehabilitation Fund Scheme(TWRFS) to protect the interests of the workers.
- (iii) Financial Institutions and Banks are also required to monitor closely the incidence of growing sickness.

As per the information obtained from the Board for Industrial and Financial Reconstruction (BIFR), there were 278 mills registered with BIFR as on 30.6.95. The State-wise figures are given below:

Sl.No.	Name of the State/Union Territory	No. of mills
1.	Bihar	3
2.	West Bengal	12
3.	Orissa	4
4.	Uttar Pradesh	33
5.	Delhi	2
6.	Punjab	5
7.	Haryana	9
8.	Chandigarh	1
9.	Rajasthan	14
10.	Gujarat	57
11.	Maharashtra	53
12.	Madhya Pradesh	14
13.	Andhra Pradesh	14
14.	Karnataka	15
15.	Tamil Nadu	32
16.	Kerala	5
17.	Dadra & Nagar Haveli	2
18.	Assam	3
<b>Total</b>		<b>278</b>

Details of cases registered with BIFR as on 30.6.95.

18(4) - Draft Scheme prepared by Board	: 55
NM - Not Maintainable i.e. dismissed	: 44
17(2) - Company's Scheme approved	: 11
20(1) - Recommended for winding up	: 68
WN - Winding up Notice	: 11
Under Enquiry by BIFR	: 37
Failed and Re-opened	: 12
Remanded by AAIFR to Board for reconsideration	: 5
Stay order by courts	: 3
Draft Scheme prepared by BIFR and circulated to the various interested parties for comments/ concurrence	: 13
Scheme sanctioned by AAIFR	: 7
Declared no longer sick	: 10
Others	: 2
<b>Total</b>	<b>: 278</b>



### Textile Workers' Rehabilitation Fund Scheme (TWRFS)

Textile Workers' Rehabilitation Fund Scheme came into force with effect from 15th September, 1986.

The objective of TWRFS is to give interim relief to the workers rendered jobless due to permanent closure of the mills. Relief under the scheme is available only for 3 years on a tapering basis, 75% of the wage equivalent in the first year, 50% in the second year and 25% in the third year.

Criteria for mills' eligibility :

- (i) A closed textile mill should be licensed or registered under the I(D&R) Act, 1951 or with Textile Commissioner as a medium-scale unit on the date of the closure;
- (ii) It has obtained the requisite permission for closure from the appropriate State Governments under Section 25(0) of the Industrial Dispute Act, 1947 or taken over by the Official Liquidator appointed by the High Court, and
- (iii) The unit was closed down on or after 6th June, 1985.

By an amendment, TWRFS is also now made applicable to the cases of partial closure on a case to case basis. Partial closure is restricted to cases wherein the State Government recommends that an entire uneconomic activity is scrapped as a part of rehabilitation package for sick/weak mill (as per the RBI definition) approved by Nodal Agency/BIFR, provided the scrapped capacity is surrendered for cancellation and endorsement is made on the licence/registration certificate to that effect.

In both the cases (i.e. permanent closure and partial closure) the scheme is applicable to workers who have been earning wage equivalent upto Rs 2500/- per month.

The following conditions are necessary for workers to become eligible for getting relief under TWRFS:

- (i) The workman should have been continuously employed for 5 years in the closed textile units as on the date of closure; and
- (ii) he should be on the records of the Regional Provident Fund Commissioner.

Since the inception of the scheme, as on 31.3.95, 24 units in Gujarat, 2 units in Tamil Nadu, 1 unit in Delhi and 3 units in Maharashtra making a total of 30 were found eligible under the scheme. A total of 39679 workers of 28 mills out of the above 30 units have been disbursed relief of an amount of Rs 77.49crs till the end of last year i.e. upto 31.3.95.

During the current financial year, upto 30.11.95, the Govt. released Rs. 3.15crs. of which an amount of Rs. 3,14,86,268/- has already been disbursed covering 1199 workers. Thus, the total amount disbursed since the inception of the scheme stood at Rs. 80.64 crs. as on 30.11.95 covering 40878 workers of 28 units.

#### **Production of cloth and employment generation:**

The weaving capacity in the organised mill sector had been stagnant for a number of years. The situation changed with the removal of restriction in the creation of capacity in the textile sector as permitted by the Textile Policy of 1985. The production of cloth in the mill sector in 1994-95 was 1779 million sq. mtr. as compared to the production of 1990 million sq. mtr. in 1993-94. The production of cloth in the mill sector is estimated at 1634 million sq. mtr. in 1995-96. The employment in cotton/man-made fibre textile industry as on 31.10.95 was 10.43 lakh.

#### **Textile Modernisation Fund Scheme:**

In pursuance of Statement of Textile Policy 1985, Govt. has set up Textile Modernisation Fund Scheme. The Scheme was introduced in 1986 for a period of 5 years with a view to extending financial assistance for modernisation of Textile Mills through replacement/renovation of equipment/Machinery, upgradation of technology, improvement of product quality and enhancement of export quality. It was created with a corpus of Rs. 750 crs. IDBI was nodal agency of scheme.

IDBI have intimated that after accounting for cancellation and reduction, the net sanctioned aggregated to Rs. 1288.5 crs. to 357 units over a period of 5 years. Out of 357 units assisted, 306 units have partially/fully utilised the assistance by availing Rs. 871 crs. The amount sanctioned and disbursed have exceeded the corpus of fund.

However, due to resource crunch, IDBI has withdrawn the facility of providing assistance of concessional rate of interest in Aug.'91. Ministry of Textiles has also proposed to enhance the corpus of fund to Rs. 1500 crs. However, Planning Commission and IDBI has not agreed to the proposal. However, IDBI continues to extend assistance for modernisation of Textile Industry on a priority basis as part of their normal operations. Assistance sanctioned for modernisation of Textile Industry from Aug.'91 to March'95 aggregated Rs 421.2 crs. covering 147 cotton textile mills.

Ministry of Textiles has also written to the Finance Ministry exploring the possibility of additional resources being available with financial institutions from the World Bank so that that can provide funds for modernisation to private textile mills.

### Exports from Textile Sector:

India's total exports of textiles(including jute, coir and handicrafts) amounted to US \$ 9980 million during 1994-95, which was 37% of the country's total exports from all sources.

Govt. has been taking necessary steps to make exports more competitive in terms of quality and prices(e.g. Sponsoring Buyer Seller Meets, participation in fairs, releasing advertisements in foreign trade magazines, product development and quality upgradation through appropriate training programmes). Govt. has been intensifying its efforts in the area of product development, reorient market strategy and creating capabilities for fashion and design development.

### Raw Material:

Cotton is one of major crops cultivated in India. It accounts for more than 83% of the fibre consumption in the spinning mills and more than 65% of total fibre consumption in the textile sector. It has been the endeavour of Govt. to ensure that Cotton cultivators receive remunerative prices for their produce and, at the same time, consumers get cotton at reasonable prices.

### Handlooms :

Handloom Sector plays a very important role in country's economy. It provides direct and indirect employment to more than 30 lakh weavers households and about 124 lakhs persons. The production of handloom fabrics registered more than ten-fold increase from a level of 500 million sq. mts in early fifties to 6180 million sq. mts. in 1994-95. The Handloom Sector contributes nearly 22% to the total cloth produced in the country and also contributes substantially to the export income of the country in the textile sector.

The Handloom Sector is largely dependent on the organised mill sector for supply of its principal raw-material, namely yarn. This sector uses the bulk of its yarn in the form of hanks. The Central Govt. has been ensuring regular supply of yarn to the handloom sector at reasonable yarn to the handloom sector at reasonable prices through(a) Hank Yarn Obligation Scheme;(b) Loan Assistance to National Cooperative Development Corporation(NCDC) for setting of new/expansion/modernisation of cooperative spinning mills; and (c) scheme for supply of yarn to handloom weavers at mill -gate prices.

**Powerlooms:**

The decentralised powerloom sector plays a pivotal role in meeting the clothing needs of the country. It contributes about 72% of the total cloth production(excluding khadi, silk and wool) in the country. It provides employment to about 66.40 lakh persons.

The estimated number of powerlooms in country has increased from 6 lakh in 1986 to 13.50 lakhs in 1995(30.6.95) production of cloth in this sector has increased from 17,826 million sq. mtrs. in 1992-93 to 20,016 million sq. mtrs. in 1994-95.

**Census of Handlooms/Powerlooms:**

Govt. of India is to conducting a joint census of Handloom and Powerlooms for collecting Handloom and Powerloom data at the national level. The National Council of Applied Economic Research(NCEAR) has already been designed as the Central Nodal Agency for the purpose.

**Powerloom Development and Export Promotion Council:**

In order to give a thrust to development of the Powerloom Sector and promotion of powerloom fabrics, the Govt. has set up a separate Export Promotion Council called the Powerloom Development and Export Promotion Council(PDEXCIL).

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## NOTE ON NATIONAL TEXTILE CORPORATION

The National Textile Corporation (NTC) was incorporated in April, 1968. The NTC was set up with the main objective of managing the affairs of the sick textile undertakings taken over by the Government. It was also proposed to rehabilitate and modernise these mills after the take over by the Government and to make them economically viable. At the time of NTC's incorporation in 1968, there were only 16 mills under Government management. The number gradually rose to 103 by 1972-73. All these 103 Govt. managed mills were nationalised by an Act of Parliament in December, 1974. In 1986, additional six mills were acquired. The management of 2 mills in Kanpur was taken over in 1976 and of 13 mills in Bombay in 1983. These 15 mills have since been nationalised w.e.f. 1.4.94. The number of mills under the control of the Corporation at present are 124. Out of this, two mills viz. Kothandaram Spg. Mills, a spinning mill of NTC(TN&P) Ltd. and Fine Knitting Mill under NTC(Gujarat) were not restarted while 4 nationalised mills have been merged into 2 units. Thus as on date we have 120 mills working under the control of NTC. With a view to ensure effective management on a decentralised basis, NTC has formed 9 subsidiary corporations with headquarters at Delhi, Indore, Ahmedabad, Bombay, (2 subsidiaries), Bangalore, Coimbatore, Calcutta and Kanpur. NTC has a total installed capacity of 36.02 lakh spindles and 38.07 thousand looms as on 31.3.95. The total installed capacity accounts for roughly 15% of the spinning capacity and 24% of the weaving capacity of the cotton textile industry in the country.

2. The NTC mills have been incurring losses for a variety of reasons including lack of modernisation, high man-machine ratio, surplus manpower, high cost of raw material etc. The Corporation has had to pay idle wages to labour in some of its units as some of the mills perforce remained closed. Due to reduction in budgetary support, the NTC is facing severe working capital constraints. The Turn Around Strategy approved in August, 1992 for NTC, with elements such as selective modernisation, rationalisation of labour, selective closure/merger of unviable units and resource mobilisation by disposal of surplus assets, etc., could not be fully implemented for a variety of reasons, though NTC was able to rationalise its labour force by 38975 as on 30.9.95 under the Voluntary Retirement Scheme.

### REVISED TURN AROUND STRATEGY

Consequent to the amendment to SICA Act in 1991 and on the basis of the performance of NTC mills as well as subsidiary as a whole, 8 out of 9 Subsidiary Corporation had to be referred to BIFR. As a result, the financial institutions had shown their reluctance to accept and fund the modernisation proposals covered under the earlier approved turn around strategy. Besides this the Government had to review the approved Turn Around Strategy since the same had outdated and modernisation schemes had to be revised and extended to other units. Ministry of Textiles appointed 4 textile research associations (TRAs) viz. ATIRA, BTRA, SITRA and NITRA to draw fresh plans for revival of NTC covering technical and other aspects, product mix, industry norms

etc. Accordingly, these TRAs studied 97 mills. The remaining 23 mills were not assigned to TRAs as these were covered under the on-going modernisation schemes. A Special Tripartite Committee constituted by the Ministry of Labour considered the impact of industrial policy and other related matters to make appropriate recommendations. This Tripartite Committee on NTC further constituted a Sub-Committee under the Chairmanship of former Minister of Textiles. This Sub-Committee recommended an in-depth study of NTC Mills by the 4 Textile Research Associations (TRAs), to make modernisation schemes of NTC mills, regrouping and restructuring of mills. The Sub-Committee's report was based on the recommendations of TRAs study of the NTC mills & formulation of revised plan for the revival of NTC mills. The Plan highlighted the modernisation of 79 mills at an outlay of Rs. 2005.72 crores. The entire funding is proposed to be made out of sale of surplus land and buildings available with the NTC. As per the evaluation conducted by CBDT, the available surplus land and buildings of NTC would fetch a sum of Rs. 2349.10 crores. Besides the estimates made by the TRAs for availability of funds out of sale of surplus machinery to the extent of Rs 124.15 crores. The Govt. approved the revised Turn Around Strategy on 8th May. 95. The following are the key elements of the revised Turn Around Strategy.

- a) Nationalisation of 15 taken over mills (since nationalised w.e.f. 1.4.1994);
- b) Merger of 36 unviable mills to 18 viable mills;
- c) Rationalisation of surplus manpower by offering VRS;
- d) Modernisation of 79 mills at an outlay of Rs.2005.72 Crs.

Apart from the above, key elements of the revised Turn Around Strategy also envisages waiver/keeping in abeyance recovery of Govt. loans and interest, payment to un-absorbed workers of Kohinoor Mills, Bombay consequent on reinstatement and payment of back wages etc. as per orders of Supreme Court.

On implementation of the revised Turn Around Strategy, it is expected to earn net profit (overall) of Rs.114.47 crores per annum. The overall production value is expected to touch around Rs.2960.51 crores.

#### PROCEEDINGS BEFORE THE BIFR

On the basis of the revised Turn Around Plan approved by the Government, the Operating Agencies have revised the schemes for the various subsidiaries. As per the estimates worked out by the Operating Agencies, the net worth of 4 subsidiaries, namely, NTC(SM), NTC(MN), NTC(DP&R) and NTC(APKK&M) become positive within a period of 10 years after implementation of the modernisation programme and hence, the BIFR has decided to publish the draft schemes in respect of these four subsidiaries. However, in the cases of NTC(Gujarat), NTC(MP), NTC(WBAB&O) and NTC(UP), the net worth does not become positive even after the period of 10 years. The projected net worth for these four

subsidiaries after 10 years is (-)302.02 crores, (-)270.39 crores, (-)197.00 crores and (-)352.00 crores respectively. The reason for negative net worth of these subsidiaries after ten years are heavy accumulated losses. To make the net worth positive, these outstanding dues on account of Govt. loan and interest would need to be waived. The proposal for waiver of Govt. loans has been taken up with the Ministry of Finance. The issue has also been taken up with the BIFR stressing the fact that the matter is under consideration of the Government for waiver of Govt. loans.

#### BUDGETARY SUPPORT TO NTC

The Government has been providing budgetary support to the NTC towards of payment of salaries and wages. During the financial year 1995-96, an amount of Rs.178 crores have been released towards payment of salaries/ wages and bonus, till November, 1995. An amount of Rs.26.08 crores has been released for payment of bonus. The issue of release of funds for payment of wages and salaries for December, 1995 and January, 1996 alongwith the provision of budgetary support for meeting PF/ESI dues has been taken up with the Ministry of Finance.