

Speech of MoS (HRD-HE) on the occasion of “Disbursal Of Relief To The Employees Of M/S Bharat Commerce Industries Ltd inder Liquidation At Nagda (M.P) Under TWRFS”.

It is my pleasure to disburse relief to the tune of Rs. 6.00 crore to ex-employees of M/s Bharat Commerce Industries Ltd (now under liquidation) as relief for their past services. I am told the ministry of Textiles has a whole network of schemes of assistance and relief of the textile workers their rehabilitation. The present scheme i.e. the Textile Workers' Rehabilitation Fund Scheme came into force with effect from September 15, 1986, with the objective of providing interim relief to textile workers rendered unemployed as a consequence of the permanent closure of any particular portion of, or the entire textile unit. The assistance under the Scheme is available to eligible workers only for the purpose of enabling them to settle in other gainful employment.

The Indian Textile Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textile industry also plays a pivotal role through its contribution to industrial output, employment generation, and the export earnings of the country. Currently, it contributes about 14 percent to industrial production, 4 percent to the GDP, and 17 percent to the country's export earnings. It provides direct employment to about 35 million people, which includes a substantial number of SC/ST, and women. The Textile sector is the second largest provider of employment after agriculture. Thus, the growth and all round

development of this industry has a direct bearing on the improvement of the economy of the nation. The Indian textile industry is extremely varied, with the hand-spun and hand woven sector at one end of the spectrum, and the capital intensive, sophisticated mill sector at the other. The decentralized powerloom/ hosiery and knitting sectors form the largest section of the Textile Sector. The close linkage of the Industry to agriculture and the ancient culture and traditions of the country make the Indian textile sector unique in comparison with the textile industries of other countries. This also provides the industry with the capacity to produce a variety of products suitable to the different market segments, both within and outside the country. The major sectors forming part of the textile industry include the organized Cotton/ Man-Made Fibre Textile Mill Industry, Wool and Woolen Textile Industry, Sericulture and Silk Textile Industry, Handloom Industry, Handicraft Industry, Jute and Jute Textile Industry, and Textile Exports.

Over the years, the Indian Textile Industry has suffered from severe technology obsolescence and lack of economies of scale, which in turn diluted its productivity, quality and cost effectiveness, despite distinctive advantages in raw material, knowledge base, and skilled human resources. While the relatively high cost of state-of-the-art technology and structural anomalies in the industry have been major contributory factors, perhaps the single most important factor inhibiting technology upgradation has been the high cost of capital, especially for an industry that is squeezed for margins. Given the significance of this industry to the overall health of the Indian

economy, its employment potential and the huge backlog of technology upgradation, it has been felt that in order to sustain and improve its competitiveness and overall long term viability, it is essential that the textile industry has access to timely and adequate capital, at internationally comparable rates of interest in order to upgrade the level of its technology.

I hope it will be possible for the Government keeping in view the dire necessity of requirements of the textile sector to devise and implement the various schemes for holistic growth and development of this sector, so that the textile industry could be an important propeller of development and growth.

Jai Hind.