

GOVERNMENT OF INDIA  
MINISTRY OF TEXTILES  
OFFICE OF THE TEXTILE COMMISSIONER  
NEW C.G.O.BLDG, NISHTA BHAWAN  
POST BAG No.11500, MUMBAI-20

**CONSOLIDATED GUIDELINES FOR PAYMENT OF RELIEF UNDER THE  
TEXTILE WORKER'S REHABILITATION FUND SCHEME.**

No.13(27)/2003/CSS/TWRFS/

Date - 10.06.2003

**I INTRODUCTION**

The textile Policy of Central Government, since 1985, has recognized and provided for safeguarding the interests of workmen in certain textile units, which have been unviable and would close permanently.

Accordingly the Government of India, with effect from the 15<sup>th</sup> September, 1986 has announced the Textile Workers' Rehabilitation Fund Scheme to provide interim relief to workmen rendered unemployed as a consequence to the permanent closure/liquidation of the textile units in the private sector. This scheme is not applicable to the State/Central Govt. Public Sector Undertakings and the textile units in the co-operative fold of the State/Central Govt.

**II ELIGIBILITY**

**i) Textile Units**

- 1) This Scheme applies to such textile unit which is either licensed under Industries (Development & Regulation) Act, 1951, or registered with the Textile Commissioner as medium scale unit.
- 2) Such unit should have been completely closed, meaning that its production had come to a complete grinding halt after 05.06.1985.
- 3) In addition, such a unit should have been declared as closed unit under Section 25(O) of the Industrial Disputes Act, 1947, or alternatively an Official Liquidator was appointed under Companies Act, 1956, for the purpose of winding up on the unit.
- 4) An illegal strike by workmen, as defined in the Industrial Disputes Act, 1947, leading to the closure of the mills either under Section 25(O) of the said Act, 1947, or by an Order of the High Court upon which an Official Liquidator is appointed, would not entitle the workmen to relief under the Scheme.

.....2/-

5) The TWRF Scheme is also made applicable to cases of partial closure on a case-to-case basis. The cases of partial closure are restricted to those wherein the State Governments recommend that an entire uneconomic activity (like weaving or processing) is scrapped as a part of rehabilitation package for a sick/weak mill (as per the RBI definition) approved by the Nodal Agency/BIFR provided the scrapped capacity is surrendered for cancellation and endorsement is made on the License/Registration certificate to this effect.

Note - The date of actual closure on which the production has come to grinding halt will be taken into account for working out three years' relief period even though the mills had been declared closed by the concerned State Government under Section 25(O) of the Industrial Disputes Act, 1947, subsequent to the date of actual closure of the mills.

The benefit of the Scheme shall not be extended to the workmen who were not on the Rolls of the mills at the time of closure.

ii) Eligible Workers

All workmen including permanent, badli or casual, who has been in continuous service for five years or more before the closure of the mill employed in such closed mill on the date of closure, figuring in the records of the Regional Provident Fund Commissioner and earning wage equivalent upto Rs.2500/- per month or less in respect of the eligible textile mills closed before 01.04.1993 or wage equivalent up to Rs.3500/- per month or less in respect of eligible textile units which are closed on or after 01.04.1993, will be eligible for the benefit of the Scheme provided the workmen were not on illegal strike and the mill's closure was not due to the fault on the part of the workmen.

iii) Eligible Wage

a) In case of permanent workmen, wage (as defined under Section 2(rr) of the I.D. Act) means the last whole months' wage of the workmen drawn or received during the month of normal working of the mills at the time of/before the closure. If the workmen is not covered by the whole-month's wage of normal working month of the mills, then the average wage of immediate last 12 months before the closure

Would apply. If a unit has worked for a part of a month before closure and wages have been paid for that period only, wages for the month for the purpose of these scheme would be calculated for the whole month on pro-rata basis. For example, if a workmen has been paid normal wages for only 5 days during the last month before closure, monthly wage to determine the compensation should be worked out for 26 days on the basis of 5 days normal wage. This would ensure that for the purpose of compensation, the monthly wage would be the wage, which a workmen would have received, had the mill worked for the entire month in a normal condition. Compensation in case of mills, which are already settled, would not be reopened but would apply to all mills which qualify for eligibility under TWRFS in future.

b) In case of Badli/Temporary/Casual/Daily workmen wage means the wage actually drawn by him during the last whole month in which the mills worked normally or the average wage drawn during the last 12 months, whichever is higher.

iv) Eligible rate of payment

Such a workmen will be eligible for payment of relief at the following rate :

- (a) to the extent of 75% of the wage equivalent in the first year of the closure of the unit;
- (b) to the extent of 50% of the wage equivalent in the second year; and
- (c) to the extent of 25% of the wage equivalent in the third year.

**Note :**

- (i) Payments will be made on quarterly basis, If there are arrears of quarters counted from date of closure, they may be paid in lump sum at the start of payment.
- (ii) The payment of relief to the heirs of the deceased workman would be restricted to an amount due till the date of workman's death, and only upon production of a valid Certificate by the heir/s that the said applicant is entitled for Provident Fund payments. In case of missing workman, considered as deemed dead the succession certificate should be produced from the Competent Court.

- (iii) The definition and explanations of all terms used in the scheme shall be inconsonance with Industrial Disputes Act, 1947.

### **III OPERATION OF THE SCHEME :-**

- (i) Initiative of State Government etc :

Many of the units which are under the purview of this Scheme, might have been closed down much earlier than the Scheme being applicable to those particular mills. It is very necessary for the successful operation of this Scheme to benefit the affected workman that the management of the mills, concerned designated Trade Union and above all the State Government take initiative to fulfill the requirements of this Scheme.

- (ii) List of eligible workmen :

- a) Before granting closure under Industrial Disputes Act, 1947 (or in cases where the mills are closed and where Official Liquidator has been appointed by the High Court) the concerned State Government/Union Territory, where the mills are located, will call from the management the list of eligible workmen or prepare the same from the available records with the mills management or Provident Fund Authority or Board of Trustees or Official Liquidator and details of wages etc., for this purpose in Proforma 'A' enclosed (ten copies). The State Government will also get this Proforma certified either from the Provident Fund Authority or Board of Trustees or from the Official Liquidator, and duly certified by the State themselves.
- b) The State Government should also estimate the requirements of the fund on quarterly basis to the workmen of the closed mills under the scheme. The estimate so made by the State authorities should reach the Regional Office of the Textile Commissioner by the 10<sup>th</sup> day of the following quarter for making necessary Budget Provisions. If no estimate of funds is sent alongwith the list of applications, the Textile Commissioner or the Central Government will not be responsible for the delay in taking steps to effect payments of relief to the workmen on submission of list of applications duly certified.

- iii) Attestation of details by Regional Provident Fund Commissioner etc.
- a) Regional Provident Fund Commissioner/Board of Trustees/Official Liquidator, will verify the list of workmen received from the State Government and will certify that (I ) name of the workman on their records holding Provident Fund Account (ii) and has been engaged in the closed textile unit on the date of its closure continuously for the last five years or more, (iii) has been earning equivalent upto Rs.2500/- per month or less and for the unit closed after 05.06.85 but before 01.04.1993 or Rs.3500/- per month for the unit closed on or after 01.04.1993 (iv) has been on the record of his office.
- b) Thereafter the Regional Provident Fund Commissioner, Board of Trustee, Official Liquidator or the State Government will forward the list of eligible workmen to the concerned Regional Office of the Textile Commissioner in 6 copies.
- iv) Regional Office of the Textile Commissioner:
- a) After receipt of the list of workman the Regional Office of the Textile Commissioner will consider to allow relief under the scheme and thereafter communicate his decision to the concerned State Government and the management of the Unit for placing the list of eligible workmen on the Mills' Notice Board. Regional Office will send a copy also to the Trade Union designated by the State Government of the mills for being placed on their Notice Board for the information of the workmen. The Regional Office will also notify suitable branches of Nationalized Bank for opening of Accounts by eligible workmen for receiving the payments through the bank.
- b) While sending the list to the State Government the Regional Office of the Textile Commissioner will advice the State Government to get bank account opened by individual eligible workman in any of the designated branches of banks for the purpose of payment by the Regional Offices. The State Government will help. If necessary, with the assistance of the designated Trade Unions, workman to get their bank accounts opened and to make individual prescribed applications and shall forward them with their recommendation to the Regional Office.

v) Action on the part of eligible workmen and the Bank.

While opening their account in the designated branches of the bank mentioned above, the bankers concerned must ask the workmen to furnish the information in duplicate in the form 'B' to them and in turn the bank will forward a copy of the form 'B' to the Regional Office of the Textile Commissioner alongwith a Certificate in the Proforma 'C' enclosed. While opening the saving bank account in the name of the workmen, the banks concerned should also obtain from the said workmen an Undertaking in Proforma 'B' to the effect that any amount found to have been over paid or wrongly paid under the scheme would be due for recovery from such workmen and the workmen would agree to refund the same when demanded. Such a recovery would be a charge on the assets or rights of concerned recipients, in any other property either in their name or in the name of their legal heirs.

**IV PAYMENTS :**

a) As soon as list of eligible workmen is received from the Regional Provident Fund Commissioner and others as specified in this Order, the Regional Office of the Textile Commissioner will work out the amount required for the payment under Fund as per eligible rate of payment.

b) Regional Office of the Textile Commissioner would work out the amount required for disbursement under the scheme on the basis of the claims scrutinized and amount that are required to be paid and furnish the estimate to the Accounts Department of the Headquarters with a copy to the Consumer Service Section. On receipt of the estimate, the Textile Commissioner would allocate the funds to the various Regional Offices with a copy to the Pay and Accounts Office (Textiles), Mumbai.

c) The Pay & Accounts Office (Textiles), Mumbai, would place the Regional Offices an account with the Central Bank of India by issuing a Letter of Credit specifying the amount for each Regional Office. They will also simultaneously provide the Regional Office with the Cheque book for issuing the cheques on the credited bank.

d) The Regional Offices would notify the concerned bank the particulars of number of Cheque-books that would be used for operation under the scheme.

- e) The Regional Offices would also maintain a simple Cash Book so as to ensure that no Cheque issued by him results in minus balance. The entries made in it may be duly attested by the Officer whenever payments are effected.
- f) The Regional Officer would ensure that all eligible workmen have opened the account in the designated bank as per the conditions prescribed in this Order, and also the eligibility for the assistance have been verified by the Regional Provident Fund Commissioner or the Official Liquidator and/or others as specified in this Order so that the workmen entitlement for payment is ascertained before the issue of cheques.
- g) The Regional Office will issue Cheque in favour of the bank's main branch for the consolidated amount of claims for the various workmen duly verified and ascertain and also intimate the particulars of account numbers and other relevant details to the bank alongwith the cheque so that the amounts admitted for the various workmen are credited by the bank to the individual account of the workmen already opened with its branches.
- h) The bank would send to the Regional Office a consolidated receipt indicating that the bank has actually paid to all the eligible workmen as intimated by the Regional Office by crediting to their respective accounts opened for this purpose.
- i) The Regional Office would also send a monthly statement to the Accounts Section, Textile Commissioner's Office, Mumbai, indicating the count paid by them against the allocation made so that Accounts Section consolidates the amount to arrive at the total expenditure incurred out of the fund and also for further reconciliation of the amount with the Pay and Accounts Office at the end of the year so as and when it becomes necessary. The Accounts Section of the Textile Commissioner's Office will maintain separate books of Account for this purpose and also to draw up annual budget for the scheme on the basis of reports from the Regional Offices.
- j) The Assistance under this scheme shall, however, be stopped by the Regional Office forthwith in case revival of the concerned unit takes place and the state shall refund the relief to the Central Government already paid.

**V      WORK IN GENERAL BY REGIONAL OFFICES AND REPORTING**

- a)      It will be the duty of the Officer-in-charge of the Regional Office to collect information regarding the mills which may qualify for assistance under this scheme and to maintain mill-wise file as soon as they come to know of such an event. They should make approximate estimate of number of workmen who are likely to be qualified for such assistance and the amount required for the likely payment in each of the three years. This will help the Headquarters to draw up consolidated proper budget proposal and to get funds released from the Ministry for its allocation to the Regional Offices.
- b)      The Regional Office should be in close contact with the concerned State Government, authorities to make them aware about the scheme and also appraise them of their responsibility to take initial steps for the implementation of the scheme. Unless the State Government takes initiative in collecting the names and details of the workmen and in making proper applications, the scheme cannot be implemented in regard to a particular closed unit.
- c)      As soon as action is initiated by the State Government the Regional Office should designate the branches of the nationalized bank nearest to the mills to handle the case. The Regional Office should meet the Branch Manager of the bank to appraise him of the scheme and the requirements of the scheme. The Regional Office should also take initiative similarly to properly inform the Office of the Regional Provident Fund Commissioner or the Board of Trustees or the Official Liquidator as the case may be.
- d)      Development on each case should be reported immediately to the Deputy Director, Consumer Service Section at the Headquarters who will be dealing with the matter in future with a copy to Dy. Director (Accounts). All copies of the correspondence in regard to each unit should also be endorsed to DD (Accounts) and vice versa.
- e)      Apart from reporting in individual cases, the Regional Office should send a mill-wise statement in Proforma 'D' to be posted on the last working day of the quarter by Speed Post giving the position at the end of the quarter. The letter should be addressed by name of the Director, Consumer Service Section, Headquarters himself, and a copy to the Deputy Director (Accounts) with a Proforma 'D'.



f) For every quarter, the Regional Office should obtain requirements of the funds from the State Governments in writing much in advance and pass on the same to the Headquarters, the Consumer Service and Accounts Section.

g) The Regional Office of the Textile Commissioner will first secure the documents, as required under para 12 of the Proforma 'A', such as the Orders passed under Section 25(O) of the Industrial Disputes Act, 1947, or the winding up orders passed by the High Court upon which the Official Liquidator is appointed, without which no application should be processed for considering the question of relief to workmen.

The Regional Office shall have regard to the reason for closure of the mills as found in the documents so obtained that is whether the closure of the mills is due to the fault on the part of the management of the mills or the closure is due to illegal strike on the part of the workmen while determining the question of eligibility of the workmen for relief under the scheme. In the latter case no relief will be admissible for which due attention may be paid by the Officer-in-charge of the Regional Office after going through the copy of the petition for the closure of the mills to an appropriate authority, and the orders passed thereon.

( P.L. Mukhija )  
Director

Copy to -

- |      |   |  |
|------|---|--|
| i.   | All Regional Office of the Textile Commissioner                                   | These Consolidated   |
| ii.  | Chief Secretary, State Government & Union Territories.                            | TWRFS guidelines   |
| iii. | The Commissioner (Handlooms) Textiles, State Govt./Union Territories              | come into force with immediate effect.   |
| iv.  | Shri P.K.Gera, Director, Ministry of Textiles, Govt. of India, New Delhi-110 011. | This is with reference to his letter No.7/2/98-CT-1 dt. 2 <sup>nd</sup> pril,2003 forwarding therewith Consolidated Guidelines on TWRFS as approved by MOT and Ministry's subsequent letter No.7/2/98-CT-1 dt. 13.05.03. |

**TEXTILE WORKERS' REHABILITATION FUND**

**PROFORMA 'A'**

1. Name of the Closed Textile Unit and its location
2. Industrial License No or Registration No of the unit under the Industrial (Development & Regulation) Act, 1951 or with the Textile Commissioner as a medium scale unit on the day of its closure.
3. Date with month and year on which the unit was closed
4. Whether the workmen were employed in the mill on the date of closure.
5. Whether the workmen were continuously in employment for last five years or more on date of closure.
6. Name & Address of Registered Trade Union.
7. Name & Address of the Central Bank of India where the affected closed Textile Unit is located.

....2/-

... 2 ...

8. Details of the eligible workers

Sr. No.	Name of the workmen & Age	Address of the workmen (permanent or otherwise)	Date of his appointment in the unit	Age at the time of appointment in the unit	Date & Age of superannuation	Amount of monthly wage (*) of the workmen	Provident Fund A/c No. of the workmen.
1	2	3	4	5	6	7	8

(\*) Note :

- i) Wage means the last whole months' wage of the workmen drawn or received during the month of normal working of the mills at the time of/before the closure. Of the workmen is not covered by whole months wage of normal working month of the mills, then the average wage of the immediate last 12 months before the closure would apply. If a unit has worked for a part of a month before closure and wages have been paid for that period only, wages for the month for the purposes of this scheme would be calculated for the whole month on pro-rata basis.
- ii) In case of Badli/Temporary/Casual/Daily workman wage means the wage actually drawn by them during the last whole month in which the mills worked normally or the average wage drawn during the last 12 months, which ever is higher.
- iii) Any workman who has been engaged in a closed textile unit on the date of its closure continuously for five years or more and was earning wage equivalent (as defined in Col.8 above) up to Rs.2500/- per month or less for the unit closed after 05.06.1985 but before 01.04.1993 or Rs.3500/- per month for the unit closed on or after 01.04.1993 and has been on the records of the Regional Provident Fund Commissioner of the State concerned is entitled to get relief under this scheme.

9. Address of the Regional Provident Fund Commissioner with whom the P.F. of the workmen are deposited.

....3/-

.... 3 ....

10. Certified that workmen as per list above were employed in this unit at the time of closure for continuously for five years or more and were earning a wage (as mentioned at Col.8 above) equivalent of Rs.2500/- per month or less for the unit closed after 05.06.1985 but before 01.04.1993 or Rs.3500/- per month for the unit closed on or after 01.04.1993 and have been on the records of the Regional Provident Fund Commissioner of \_\_\_\_\_ State and are entitled to get relief under this scheme.

11. Certified that this is a Textile Unit and that the information furnished above is verified as per the records of the unit, and found correct.

Signature with name & designation  
of Officer of the closed unit who  
is authorized to apply for closure  
under I.D.Act, 1947.

(Mills Management)

Date :

Place;

With name and designation of the concerned  
Office & State Government (Officer of the  
State Government)

STAMP

.....4/-

... 4 ...

12. The above list of workmen has been obtained from the concerned Textile Unit on closure/appointment of Official Liquidator (under Companies Act, 1956) which is in order as per requirement of the guidelines of the Textile Workers' Rehabilitation Fund Scheme. Photocopy of the following is enclosed.
- (i) The State Government permission for closure of the unit under Section 25(O) of the Industrial Disputes Act, 1947.

OR

- (ii) The Order of appointment of the Official Liquidator  
( Ref.No. \_\_\_\_\_ Date - \_\_\_\_\_ )

Signature

Office of the State Government permitting the closure under Section 25(O) dealing with the case or in regard to units taken over by the official Liquidator under Companies Act, 1956.

.....5/-

... 5 ...

13. Forwarded to the Regional Provident Fund Commissioner/Trustee or B.O.T/Official Liquidator. Certified that the details furnished for each workman in the list above have been verified from the records of this office and are found in order/# not found in order in respect of the workman/workmen shown in the entry No..... for which actual position based on the records of this office is furnished as per statement attached.

# Please strike out where not applicable.

The above final statement is forwarded in six copies to the Regional Office of the Textile Commissioner \_\_\_\_\_ for the necessary action.

(Ref. No.

Date:

)

Signature with name and designation of Officer of the Regional Provident Fund Commissioner

OR

Signature with name and designation of the Trustee authorized to sign  
On behalf of the Board of Trustees.

OR

Signature with name and designation of the Officer of the Office of the Liquidator with Official Seal.

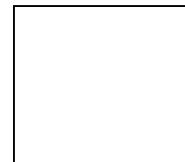
( Note : Official Seal in all cases )

To,  
Regional Office of the Textile Commissioner office.

## PROFORMA 'B'

**Application form for Textile Workers' Rehabilitation Fund**

(To be submitted through Bank)

Photograph of workman  
(Passport size)

To,  
Regional Office of the  
Textile Commissioner,  
Ahmedabad/Amritsar/Mumbai/  
Kolkata/Coimbatore/Kanpur/  
Banglore/Indore/Noida

1	Name	
2	Date of Birth	
3	Fathers' Name	
4	a) Present Postal Address  b) Permanent Address	
5	Name of the closed Textile Unit a) Date of joining in the mill  b) Date of superannuation	
6	i) Name and address of the bank where saving Bank Account is opened  ii) Saving Bank Account number and date on which account is opened.	
7	Provident Fund Account Number as per Register of Provident Fund Commissioner.	
8	I have opened an account in the above Bank and have obtained certificate from Bank i.e. the proforma 'C'	

.... 2 ....

9. I am aware that the Textile Workers' Rehabilitation Fund Scheme is available only for three years on a tapering basis but not to extend beyond the date of superannuation or death or revival of my unit.
10. I am also aware that in the event of any amount being found to have been paid to me either in excess of the amount that is due to me or wrongly when no amount is due to me, such excess amount or the amount wrongly paid to me is liable to be recovered from me or from my legal heirs at the option of the Government.

I authorise the management of the mills company to recover the relief paid to me in case the unit is revived and pass on the benefits to the Government of India.

Yours faithfully,

(Signature)

Name of the workman

Date :

Place:

I, as representative/Secretary/President of the Union, hereby identify the applicant was the Workman of M/s \_\_\_\_\_ prior to and on the mills closure and the above information is correct.

(Signature)

1) Name and designation

2) Seal of the Union

#### CERTIFICATE FROM BANK

Certified that the above information is in order.

Date :

Signature with name

Place:



**PROFORMA 'C'**

**CERTIFICATE FROM THE BANK TO BE  
ATTACHED ALONG WITH APPLICATION**

Certified that Shri \_\_\_\_\_ has opened a separate saving account bearing No. \_\_\_\_\_ in the \_\_\_\_\_ Branch, in his own name for depositing amounts released by the Office of the Textile Commissioner as per the Textile Workers' Rehabilitation Fund Scheme.

Certified that the amount so released will be deposited in the above saving bank account on being satisfied that Shri \_\_\_\_\_ is alive.

The photograph of the account holder in duplicate is duly attested and stamped. Reference No. \_\_\_\_\_ date \_\_\_\_\_ and signature of the bank-in-charge.

Signature of the Bank Manager  
Who is authorized to sign.

(with seal)

**PROFORMA -D**

**QUARTERLY PROGRESS REPORT OF TEXTILE WORKERS**  
**REHABILITATION FUND SCHEME – IN PROFORMA ‘D’**

1. Regional Office: As on \_\_\_\_\_

(Financial Year)

2. Name of the Mill & Address:

State

1. Date of closure
2. Date of Appointment of  
Official Liquidator.

OR

Date of permission granted 25(O)

		Previous quarter	Current quarter
3.	(a) Number of eligible workmen		
	(b) Total entitlements		
4.	(a) Number of applications received		
	(b) Amount involved		
5.	Number of ineligible applicants		
6.	Number of applicants whose claim admitted/sanctioned		
7.	(a) Number of applicants paid		
	(b) Total amount paid		
8.	Balance Eligible pending applications (4-7)		
	(a) Number of applicants		
	(b) Amount involved		
9.	Amount allotted (L.C. established) during the current financial year		
10.	Amount paid (Cumulative) during the year		
11.	Balance amount available (9-10)		
12.	Remarks giving reasons for col.8 above Additional informations		
13.	(a) Number of workmen paid		
	(b) Number of installments paid		
	(c) Amount paid (installment-wise with cumulative total)		

14.	Details of due installment but not paid		
	(a) Number of workmen		
	(b) Amount due (installment-wise)		
15.	Details of installment still to become due		
	(a) Due date/quarter		
	(b) Number of workmen		
	(c) Amount (installment-wise)		
	(d) Date by which the amount required		
16.	Amount required (14 +15)		
17.	Amount required to be released (11-16)		
18.	Remarks		
<b>Note</b>	These details are for each mills separately.		