

**COMMITTEE ON THE WELFARE OF  
SCHEDULED CASTES AND  
SCHEDULED TRIBES  
(1984-85)**

**(SEVENTH LOK SABHA)**

**FIFTY-EIGHTH REPORT**

**MINISTRY OF INDUSTRY  
(DEPARTMENT OF INDUSTRIAL DEVELOPMENT)**

**Reservations for, and employment of, Scheduled Castes and  
Scheduled Tribes in Khadi and Village Industries Commission  
and facilities provided for the economic development of  
Scheduled Castes and Scheduled Tribes by the Commission**

*Presented to Lok Sabha on 21st August, 1984*

*Read in Rajya Sabha on 21st August, 1984*



**LOK SABHA SECRETARIAT  
NEW DELHI**

301-43R  
201-43R

*August, 1984/Sravana, 1906 (5)*

*Price : Rs. 3.40*

Corrigenda  
to the  
Fifty-eighth Report of the Committee on the  
Welfare of Scheduled Castes and Scheduled  
Tribes (Seventh Lok Sabha)

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**COMMITTEE ON THE WELFARE OF SCHEDULED CASTES  
AND SCHEDULED TRIBES (1984-85)**

**Shri A. C. Das—Chairman**

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## INTRODUCTION

I, the Chairman, Committee on the Welfare of Scheduled Castes and Scheduled Tribes, having been authorised by the Committee to submit the Report on their behalf, present this Fifty-eighth Report (Seventh Lok Sabha) on the Ministry of Industry (Deptt. of Industrial Development)—Reservations for, and employment of, Scheduled Castes and Scheduled Tribes in Khadi and Village Industries Commission and facilities provided for the economic development of Scheduled Castes and Scheduled Tribes by the Commission.

2. The Committee on the Welfare of Scheduled Castes and Scheduled Tribes (1983-84) took the evidence of the representatives of the Ministry of Industry (Deptt. of Industrial Development) and Khadi and Village Industries Commission on the 7th, 8th, 20th and 21st March, 1984. The present Committee (1984-85) place on record their appreciation of the commendable work done by the previous Committee in taking evidence and obtaining useful information for the Report. The Committee also wish to express their thanks to the officers of the Ministry of Industry (Deptt. of Industrial Development) and representatives of Khadi and Village Industries Commission for placing before the Committee (1983-84) material and information the Committee wanted in connection with the examination of the subject.

3. The Report was considered and adopted by the Committee on 13th August, 1984.

4. A summary of conclusions/recommendations contained in the Report is appended. (*Appendix—III*)

NEW DELHI ;  
August 13, 1984  
*Sravana 22, 1906 (SAKA).*

A. C. DAS,  
*Chairman,*  
*Committee on the Welfare of*  
*Scheduled Castes and*  
*Scheduled Tribes.*

## CHAPTER I

### INTRODUCTORY

#### A. Historical Background

Village and Cottage Industries form an integral part of the structure of India's economy. In a country like ours, with chronic mass poverty, widely prevalent unemployment and under-employment, subsistence production, narrow markets and absence of large scale application of scientific and technological advancement, the scope for optimum exploitation of traditional industry assumes great importance. In our setting, with an over-crowded agriculture sector and plenty of manpower, the development of an effective decentralised sector in village and cottage industries, with a close relationship to agriculture and large scale industry, is absolutely essential. The importance of this sector lies in the fact that it provides large scale employment with immediate effect and brings about a more equitable income distribution, and thereby effectively helps in combating the twin problems of poverty and unemployment.

1.2 The Village Industries including Khadi constituted an integral part of the "Village Community System" which prevailed for centuries prior to the growth of modern large industry in the Indian economy. The village community system was based on simple division of labour for discharging manifold functions. The village craftman was one of the important constituents of the village community. The occupational pattern was based on castes. The needs of the villagers in most cases could be met in the village itself. The style of production was simple and labour intensive in character. From the point of view of procurement of raw materials, utilisation of labour, production and sales, the village was one unit.

1.3 These village industries which withstood the natural calamities and political upheavals, however, with the advent of British power and flooding of machine made goods produced in organised industrial sector, rapid monetisation and commercialisation of the economy the village industries started losing ground. The result was a gradual decline of the traditional village industries which in turn resulted in increasing pressure on agriculture and subsequent migration to urban areas.

1.4 Mahatma Gandhi realised the importance of village industries sector to the Indian economy and with a view to coordinate the efforts in the direction of rural economic development, he included 'Khadi' and 'Village Industries' in his Constructive Programme. Not only that with a view to give concrete expression to the "Swadeshi" spirit, he took up the revival of Khadi in 1920. In 1925, an independent organisation known as All India Spinners Association was created. In 1934 a separate organisation for Village Industries viz. the All India Village Industries Association was established. Both these organisations during the pre-independence days took upon themselves the task of development of Khadi and Village Industries. These two organisations did considerable spadework which proved very helpful in the post independence



era. A number of constructive organisations and a team of dedicated workers provided the institutional infrastructure to begin with.

1.5 Though, the focus on the development of Khadi and Village industries started much before independence, the ushering in of the planning era and the continued increase in rural unemployment and under-employment added another dimension to it. Further, the programmes and organisation of the village and cottage industries got a new orientation through the Akhil Bharat Sarva Sangh (Subsequently Sarve Seva Sangh) which took over the work of All India Spinners Association and All India Village Industries Association around 1951. Under this institution, the whole programme was organised as an integral part of overall rural industrialisation in a comprehensive fashion.

1.6 The Planning Commission in its First Plan observed that "while organisation in village industries requires drive and directions from Central and State Governments the primary responsibility for carrying out programme for village industries rests with State Governments but in many aspects the framework within which they executed programmes for individual village industries is set by the policies followed by the Central Government. In the Central Government, there is, therefore, need for an organisation which will give close attention to the problems of village industries and help to create favourable conditions for action taken by State Governments, constructive organisations and Village Co-operatives".

1.7 The Government of India accepted the above recommendation of the Planning Commission and by its Resolution No. 45-Cot-Ind. (5)/52 of January 14, 1953 set up an All India Khadi and Village Industries Board in January, 1953. The main functions of the board were to prepare and organise programmes for the production and development of Khadi including training of personnel, manufacture and supply of equipment, supply of raw materials, marketing and research and study of the economic problems of different village industries. Moreover, the Board was expected to function as a clearing house of information and experience regarding these industries. This All India Khadi and Village Industries Board was advisory in nature.

1.8 Almost from the beginning it was experienced that certain procedural handicaps prevalent in the Government machinery came in the way of its effective functioning. Therefore, it was proposed that the Board should be accorded a statutory status with adequate financial and executive powers to implement the programme effectively. In April, 1955 a draft Bill for the purpose was introduced in the Parliament. In the statement of objectives and reasons of the Draft Bill, the problems faced by the Board in its implementation were succinctly summarised as follows :

"With a view to promoting and developing Khadi and Village Industries, the Central Government constituted a Board viz. the All India Khadi and Village Industries Board and vested it with powers to prepare and organise programmes for the production and development of Khadi and Village Industries and to deal with other matters inci-

dental thereto. It has, however, been found in actual practice that the work of the Board has been hampered by certain procedural and financial difficulties which would be removed if a Commission were set up by Law. It is, therefore, proposed to set up a Commission called the All India Khadi and Village Industries Commission which will be vested with powers, executive, as well as administrative for the proper development of Khadi and Village Industries. The Bill also provides for All India Khadi and Village Industries Board functioning as an Advisory Body which will advise the Commission generally in the discharge of the duties."

1.9 The Khadi and Village Industries Commission Act (Act No. LXI of 1956) was passed by Parliament in 1956. The Commission is assisted by an Advisory Khadi and Village Industries Board which consists of the Chairman and Members of the Commission and such number of other members as the Central Government may think fit. The Members are chosen from among persons who in the opinion of the Central Government are qualified, had experience and shown capacity in matters relating to the development of Khadi and Village Industries. The Chairmen of State Khadi and Village Industries Boards are members of the Advisory All India Khadi and Village Industries Board.

1.10 At present Khadi and Village Industries Commission is the premier organisation charged with the responsibility of developing and promoting Khadi and Village Industries in the country. Details about Khadi and Village Industries which come within the purview of the Commission are enumerated in *Appendix—I*.

#### B. Organisational set up

1.11 Section 4 of the Khadi and Village Industries Act, 1956 provides that "the Commission shall consist of not less than three and not more than five members appointed by the Central Government, one of them being nominated by the Central Government to be the Chairman thereof, and the members may be either whole time or part time, as the Central Government may direct". The Central Government appoints from among the Members of the Commission, a Vice-Chairman and Member Secretary.

1.12 According to Rule 3 of the Khadi and Village Industries Commission Rules, 1957 "a member of the Commission shall hold office for such period not exceeding three years as may be prescribed in the Notification of his appointment which shall be notified in the official gazette and shall be eligible for re-appointment."

1.13 In reply to a question the Committee have been informed that the present Khadi and Village Industries Commission consists of the following three Members :—

- (1) Shri A. M. Thomas : Chairman  
(2) Shri Laxmi Ramana Acharya : Vice-Chairman  
(3) Shri Jagpat Dubey : Member Secretary

1.14 In reply to a question it has been stated that there were some Scheduled Caste Members on the Commission in the past but none of the members of the present Commission belong to Scheduled Caste/Scheduled Tribe community.

1.15 The Commission is assisted in its day to day work by personnel, specially recruited, for effective implementation of the policies and the programmes. The administration of the Commission is looked after by the Chief Executive Officer whose powers and duties have been defined in the Khadi and Village Industries Commission Regulations and for the performance of these duties the Commission had delegated suitable administrative and financial powers to him.

1.16 A Financial Adviser to the Commission has also been provided under the Act and he is appointed by the Government of India.

1.17 There are at present six Deputy Chief Executive Officers one each for Village Industries, Khadi, Marketing, Audit, Accounts and Budget, Economic Research and Bank Finance ; and for Zonal Office, Uttar Pradesh. In addition, the Commission has Industry and Programme Directors in the Central Office, Bombay, who look after the implementation of the Programmes of the Commission in various fields.

1.18 In the State Offices located in State Capitals and Regional Offices located in different regions and also at Hill and Border Areas of the country, there are officers of the status of Director.

1.19 Section 4 of the Khadi and Village Industries Commission Act provides that the Commission shall consist of not less than three and not more than five members appointed by the Central Government, one of them being nominated by the Central Government, to be the Chairman thereof, and the members may be either whole time or part-time, as the Central Government may direct.

The present Commission consists of 3 Members only even though the membership can go upto five.

The Committee note that as many as 25 Khadi and Village Industries have been entrusted to the Khadi and Village Industries Commission (*vide* Appendix I) for implementing various developmental programmes.

The Committee feel that the volume of work of the Commission has increased enormously. Accordingly, the membership of the Commission also needs to be strengthened. The Committee, therefore, recommend that the membership of the Khadi and Village Industries Commission should be increased from three to five.

The Committee are surprised to note that none of the members of the present Khadi and Village Industries Commission belongs to Scheduled Caste/Scheduled Tribe Community. The Committee need hardly stress that the economic development of Scheduled Castes and Scheduled Tribes is a common objective both of State Governments as well as of the Central Government. With this end in view, as also to safeguard their interests in the Commission, the Committee recommend that at least one member from Scheduled Caste/Scheduled Tribe community should invariably be included as a member of the Khadi and Village Industries Commission.

### C. Role and functions of the Khadi and Village Industries Commission

1.20 The functions of the Khadi and Village Industries Commission and its sphere of activity has been defined in section 15 of the Khadi and Village Industries Commission Act according to which the functions of the Commission shall generally be to plan, organise and implement programmes for the development of Khadi and Village Industries. The Commission may take such steps as it may think fit which *inter alia* include :—

- (i) to plan and organise the training of persons engaged in the production of Khadi and Village Industries ;
- (ii) to build up a reserve of raw materials and implement and to supply them to persons engaged in the production of Khadi or in village industries at such economical rates as may be suitable in the opinion of the Commission ;
- (iii) to provide for the sale and marketing of Khadi or of products of village industries or handicrafts ;
- (iv) to encourage and promote research in the technique of production of Khadi or in the development of village industries, or to provide facilities for a study of the problems relating to Khadi or village industries ;
- (v) to maintain or assist in the maintenance of institutions for the development of Khadi or village industries ;
- (vi) to undertake, assist or encourage the production of Khadi or the development of village industries ;
- (vii) to promote and encourage co-operative efforts among manufacturers of Khadi and persons engaged in village industries ;
- (viii) for ensuring the genuineness of, and for granting certificates to por-

ducers of, or dealers in, khadi or the products of any village industry ;

(ix) to carry out any other matter which may be prescribed.

#### **D. State Khadi and Village Industries Boards**

1.21 The Committee have been informed in a note furnished by the Ministry that the policies and programmes for Khadi and Village Industries are generally executed through State Khadi and Village Industries Boards which are statutory organisations set up under the State enactments.

1.22 The annual programme and the budgets of the State Boards are discussed and finalised by the Commission. The Supplementary budget is also discussed every year.

1.23 Coordination is achieved through the State Board (Monitoring) Committees consisting of the State Directors, CEOs of the Boards and one or two staff members of the Board.

1.24 In some States the meeting of the Standing Finance Committee constituted by the State Boards are attended by the State Directors.

1.25 In some States, the State Directors are appointed as Members of Khadi and Village Industries Board.

1.26 The Organisational set up of the State Khadi and Village Industries Boards, constituted under the enactments of the respective State Legislatures, by and large consists of a Chairman/President, Vice-Chairman, Secretary/Member Secretary and Members appointed by the State Governments. To look after the proper implementation of the programme and observance of financial discipline the State Boards also appoint Chief Executive Officer/Executive Officer and Financial Adviser and Chief Accounts Officer. Other officials and staff, both technical and administrative, are appointed by the Board as they deem fit for the proper implementation of the programme. Generally the field programmes are looked after by the District Khadi and Village Industries Officers at the district level. The Boards also constitute from among the Members of the Khadi and Village Industries Board in the prescribed manner a Standing Finance Committee to exercise such powers and perform such functions relating to finances of the Board as may be delegated by the Board. Generally, the term of office of members of the State Boards is for a period of 3 years.

1.27 When asked about the exact role of the All-India Khadi and Village Industries Board *vis-a-vis* the State Boards, the representative of the Commission stated as under :

“The State Khadi and Village Industries Boards were constituted in different States at the instance and initiative of Khadi and Village In-

**dustries Commission. They are independent statutory bodies constituted by the respective State Legislatures. In fact, there is no legal relationship between the Commission and the State Boards. So far as implementing their development programmes are concerned, their financial need is being provided by Khadi and Village Industries Commission by way of loans and grants."**

## CHAPTER II

### RESERVATIONS

#### A. Powers of Government to enforce Reservation Orders

2.1 Section 16 of the Khadi and Village Industries Commission Act, 1956 provides that in discharge of its functions under the Act, the Commission shall be bound by such directions as the Central Government may give to it.

2.2 Asked what arrangements had been made by the Ministry of Industry (Department of Industrial Development) to ensure compliance of reservation orders by the Khadi and Village Industries Commission, the representative of the Ministry of Industry stated as under :—

“In respect of non-statutory corporations, full responsibility to comply with the instructions lies with the organisation itself. In the Ministry there is no organisation as such to look after the reservations especially expect in so far as posts carrying Rs. 1,200 and above are concerned. For the remainder the Commission is autonomous and they function through their Liaison Officer.”

2.3 Referring to the fact that under the Act the Government had powers to issue directions to the Khadi and Village Industries Commission, the Committee enquired how it was ensured that the directions relating to reservations were properly followed by the Commission. The representative of the Ministry of Industry informed the Committee during evidence that they have no authority to issue the directions to the Commission regarding the implementation of reservation orders. The witness stated that the Government is empowered to issue the directions to the Commission in the relation to its programmes only. In this context, the witness stated as follows :—

“In relation to the public sector, the Government has given a direction as a method of following it by the Presidential Directive. In relation to the statutory organisations there are no provisions. So, the Department of Personnel does not contemplate that we issue any directive.”

2.4 When the Committee enquired if the Government had no powers to issue directives regarding the implementation of reservation orders then who else would direct the Khadi and Village Industries Commission to implement the Government instructions, the representative of the Ministry of Industry stated as under :—

“I am only saying about the legal powers. I do not say that we do not have the powers through other means.”

2.5 The Committee note that under section 16 of the Khadi and Village Industries Commission Act, 1956 the Commission is bound to follow the directions issued by the Central Government from time to time. The Committee were informed during evidence that Government had no authority to issue directions to the Khadi and Village Industries Commission regarding implementation of reservation orders. They were empowered to issue directions to the Commission in relation to its programmes only.

The Committee cannot but express their surprise and displeasure on the above information. Khadi and Village Industries Commission Act came into force in 1956. It is rather strange that officers concerned in the Ministry of Industry were not aware of the loopholes in the aforesaid Act in so far as the implementation of reservation orders is concerned. Any lacuna in this regard should have been plugged long back by bringing forward an amendment to the Act. The Committee find it difficult to accept the plea that a presidential directive which is issued in the case of Public Undertakings is not contemplated in the case of a Statutory Corporation. The Committee suggest that Ministry of Industry should obtain the opinion of the Ministry of Law as to whether a Presidential directive can be issued to a Statutory Corporation for implementing the reservation policy of the Government. The Committee recommend that in case it is not feasible to issue a Presidential Directive to Khadi and Village Industries Commission for implementing the reservation orders then Government should immediately amend the Khadi and Village Industries Commission Act, 1956 and make a specific provision therein for implementing the orders relating to reservations for Scheduled Castes and Scheduled Tribes in services.

### B. Adoption/Implementation of Reservation Orders

2.6 The Committee have been informed in a note that the Khadi and Village Industries Commission received the first communication on the subject of reservation from the Government of India, Department of Social Security on 14.10.1964 under its letter No. 2 (49)/64-KVI (A & E) dated 9.10.1964. Prior to this the Commission had taken decision in its meeting held on 29th and 30th June, 1964 to introduce reservation for Scheduled Caste/Scheduled Tribe candidates on the basis of a report of a seminar on employment of Scheduled Castes/Scheduled Tribes published by Planning Commission and on obtaining a copy of the Government O. M. No. 1/2/61—SC (i) dated 27.4.62 and accordingly reservation was introduced under S.O. No. 491 dated 6.10.1964.

2.7 Instructions were issued by the Commission under Standing Order No. 1269 dated 26.11.1980 impressing upon all the Heads of Departments under the Commission about the need to follow the Government orders relating to reservations in services in favour of Scheduled Caste/Scheduled Tribe. They have also been advised to obtain a copy of the Brochure on reservation of Scheduled Caste/Scheduled Tribe in services issued by the Department of Personnel



and Administrative Reforms for strict adherence. They have also been advised to follow the Commission's decisions in the matter and ensure that they are strictly adhered to.

2.8 The percentage of reservation made in the Khadi and Village Industries Commission and favour of Scheduled Castes and Scheduled Tribes, both by direct recruitment and by promotion is 15% for Scheduled Castes and 7½% for Scheduled Tribes.

2.9 The Committee desired to know about the responsibility of the Ministry and the Khadi and Village Industries Commission regarding implementation of reservation orders. The representative of the Ministry of Industry explained that they were monitoring the implementation of reservation orders relating to the posts carrying a pay of more than Rs. 1200/-. The witness assured the Committee during evidence that they will think of making arrangements which will lead to monitoring of reservation orders. However, periodic meetings between the Liaison Officer of the Ministry and the Commission are being held.

2.10 When the Committee suggested that the Ministry should think of expanding the present monitoring system of implementation of reservation orders by including even the posts below Rs. 1200/- p.m. in order to do justice to the other employees of the commission, the representative of the Ministry of Industry stated as under :—

“I can assure the Committee, and in reply to this question I would say that we are aware of the short coming that the arrangement is not there and we should have an arrangement which takes care of the monitoring aspect. We will most certainly try to work that out.”

2.11 Regarding the implementation of Reservation orders in Khadi and Village Industries Commission, the Chairman, Khadi and Village Industries Commission stated as under :

“With regard to the question of only small number of persons representing Scheduled Castes and Scheduled Tribes in the Commission, the Chairman and hon. Members of the Committee may kindly take note of the fact that when we took over in 1980, there was only one Assistant Director in the whole Commission belonging to the Scheduled Caste/Scheduled Tribe. It was in 1965, the Commission adopted a resolution that in the matter of direct recruitment, the same ratio of reservation that is kept as far as Central Government is concerned, should be accepted in the case of Commission. Even before the Government of India sent the circular to the Commission, the Commission took that decision. In 1977, we adopted the reservation policy for the Scheduled Caste/Scheduled Tribe for direct recruitment and also for promotion. We issued a circular in September, 1977 to all our State offices that the policy which is being adopted by the Government of India in regard to the reservation for Sche-

duled Caste/Scheduled Tribe in the matter of recruitment as well as promotion should be followed.”

He added :—

“In fact, there has not been a single instance where a Scheduled Caste/Scheduled Tribe candidate who was eligible and who applied for a job was not taken. I can even challenge on that score. Our problem is to get Scheduled Caste/Scheduled Tribe candidates with necessary qualifications. We are prepared to relax experience part of it.”

2.12 The Committee note that at present the Ministry of Industry is monitoring the implementation of reservation orders relating to the posts carrying a pay scale of more than Rs. 1200 per month only in the Khadi and Village Industries Commission. The Committee were informed during evidence that the Ministry had no arrangements for imonitoring the mplementation of reservation orders in Khadi and Village Industries Commission for the posts below Rs. 1200/-.

The Committee are not satisfied with the present monitoring system of the Ministry of Industry and they recommend that all posts in Groups A, B, C and D should be covered by the monitoring system of the Ministry of Industry. The Committee need hardly stress that the Scheduled Castes and Scheduled Tribes normally enter service in the lower posts where there is presently no monitoring arrangement. The Committee feel that even though the primary responsibility of implementing the reservation policy lies on the Khadi and Village Industries Commission yet the Ministry of Industry cannot absolve itself of the responsibility of seeing that the posts reserved for Scheduled Castes and Scheduled Tribes at the lower level are actually filled by candidates belonging to these communities.

### C. Liaison Officer/Cell in Khadi and Village Industries Commission

2.13 The Committee have been informed in a note that a Scheduled Caste/Scheduled Tribe Cell specially to look after the implementation of Government orders relating to reservation in services of Scheduled Castes/Scheduled Tribes and other related matters including the representation of Scheduled Caste/Scheduled Tribe, has been set up vide Office Order No. 1299 dated 22.9.1983. The Cell will among other things, look after the work regarding the representation of Scheduled Caste/Scheduled Tribe in Khadi and Village Industries Commission in the Central Office as well as its State Offices.

2.14 The Cell consists of 3 persons *i.e.* one Superintendent, one Upper Division Clerk and one Lower Division Clerk. The witness further stated that there is a proposal to strengthen the Cell further.

2.15 The Committee were informed that a Liaison Officer has been appointed *vide* Office Order No. 1299 dated 22.9.1983 (*Appendix—II*).

2.16 In reply to a question, the Committee have been informed that Liaison Officers have not been appointed in the regional offices of the Commission because these are small offices. It was stated that the Commission had a pro-

posal to issue the instructions to the effect that in each regional office one of the officers working in that office should be designated as Liaison Officer.

2.17 In reply to another question the Committee have been informed that the Liaison officer and the appointing authority (i.e. the authority to whom the powers for appointment are re-delegated by the Commission/C.E.O.) under the Commission are made personally responsible for any default in the implementation of reservation orders issued by the Government of India.

2.18 The Committee note that Khadi and Village Industries Commission introduced reservation for Scheduled Caste and Scheduled Tribe in services on 6.10.1964. However, the commission set up a cell for looking after the interest of Scheduled Caste and Scheduled Tribe only on 22.9.1983. A Liaison officer was also appointed by the Commission in September, 1983.

The Committee feel surprised that the Commission took about 20 years to set up a cell and to appoint a Liaison Officer to watch the implementation of the reservation orders. This only shows that all along the Commission had shown scant respect to the reservation policy. Only when this Committee decided to examine the Commission and a questionnaire was sent to them on 22.6.1983 they decided to set up a Cell and appointed a Liaison Officer as a face saving device.

The Committee would like to be apprised as to way Government instructions in regard to the appointment of a Liaison Officer and for setting up a Cell had been grossly violated by the Commission.

## CHAPTER III

### RECRUITMENT AND PROMOTION

#### A. Recruitment Procedure

3.1 Section 27 of the Khadi and Village Industries Commission Act, 1956 empowers the Commission to make regulations, with the previous sanction of the Central Government, to provide for the terms and conditions of appointment and services and scales of pay of officers and servants of the Commission. The Commission is required to obtain Governments's prior approval for making appointments against posts, the maximum of which exceeds Rs. 1200 per month.

3.2 The Chairman of the Khadi and Village Industries Commission has informed the Committee that in KVIC except for the post of Superintendent the procedure of recruitment in all categories of posts is 50% by promotion, 25% by selection and 25% by direct recruitment. The post of Superintendent which comes in Group 'B' requires experience and, therefore, 50% of them are recruited by promotion and 50% by selection. The committee have been informed that reservation is provided in all the three methods of recruitment.

3.3 Asked about the procedure for recruitment of staff in various categories of posts in the KVIC, it has been stated that posts carrying a pay or a scale of pay with a maximum of more than Rs. 1300/- are treated as Group 'A' posts. In Group 'A' posts, there are three ways of recruiting the staff, viz., by direct recruitment, promotion based on seniority-cum-merit and by the method of selection. As regards direct recruitment, posts are advertised in leading newspapers and also in "Jagruti" which is a publication brought out by KVIC. Applications received in response to such advertisements are scrutinised and candidates are interviewed by the Services Selection Board. The Commission makes appointment on the recommendations of the Services Selection Board. For promotion on the basis of seniority-cum-merit, the officers who come within the zone of consideration are considered for promotion and their performance during the last 5 years is judged on the basis of their confidential reports by the Services Selection Board which recommends to the Commission the names of officers, who are considered fit for promotion. The final approval rests with the Commission. As regards filling of vacancies by the method of selection, the vacancies are notified in a circular and also through the KVIC publication "Jagruti". After scrutiny of applications of all candidates their cases are submitted to the Services Selection Board. The Board interviews these candidates, who are considered fit and thereafter makes its recommendations to the Commission for appointment.

3.4 Posts carrying a pay or scale of pay between Rs. 900/- and Rs. 1300 are treated as Group 'B' posts. Where the maximum pay of post is over Rs. 900, it is treated as equivalent to a gazetted post. The remaining posts are treated as non-gazetted. The method of recruitment to Group 'B' posts is the same as in Group 'A' posts except that in the case of Superintendents the posts are filled 50% by promotion and 50% by selection. All posts in the non-gazetted category are within the purview of the Departmental Staff Selection committee at the Central Office and not the Services Selection Board.

3.5 Posts carrying pay or a scale of pay between Rs. 290 and Rs. 900 are treated as Group 'C' posts. In Group 'C' there are two methods of filling the vacancies, namely, by Direct Recruitment and by promotion. For direct recruitment the procedure is to invite applications through newspapers and also by obtaining names from the local Employment Exchange. Selection is made after interview of eligible candidates by the respective Selection Committees. 50% of the posts like LDCs, UDCs and Assistant Development Officers are filled by promotion. Applications are considered by the respective Selection Committees for the Industry/Ministerial Selection Committee in the Central Office at Bombay which makes recommendations for appointment to the Commission. The remaining 50% posts are filled through Selection in accordance with the procedure for Groups A and B posts except that the recommending authorities are Staff Selection Committees and not the Services Selection Boards.

3.6 For Group 'D' posts carrying a pay or scale of pay below Rs. 290/-, the procedure is to advertise posts in local newspapers and obtain names from the local employment exchange. The final selection is made by the Staff Selection Committee.

3.7 It has been stated that there are no posts under the Commission to which orders regarding reservation in direct recruitment do not apply.

3.8 The Committee note that in Khadi and Village Industries Commission the vacancies are filled up in 3 ways *i.e.* by direct recruitment, by promotion and by the method of selection. Except for the post of superintendent, the vacancies are filled up 50% by promotion, 25% by selection and 25% by direct recruitment. In the case of Superintendents 50% posts are filled by promotion and 50% by selection. The Committee feel that the main reason for the poor representation of Scheduled Castes/Scheduled Tribes in this organisation is the faulty method of recruitment. The Committee need hardly stress that if direct recruitment quota is higher particularly in Group 'C' posts than the intake of Scheduled Castes and Scheduled Tribes can certainly be much more than it is at present. The Committee, therefore, recommend that the whole recruitment procedure in Khadi and Village Industries Commission should be reviewed and the direct recruitment quota particularly in Group C and D posts should be increased so that more and more Scheduled Castes and Scheduled Tribes can be recruited in the services of KVIC.

### B. Concessions/Relaxations

3.9 The following concessions/relaxations are given to the Scheduled Castes/Scheduled Tribes at the time of recruitment :—

- (i) All vacancies are filled up on the basis of instructions from the Government of India in regard to the percentage of reservation.
- (ii) SC/ST candidates are adjudged on the basis of relaxed standards.
- (iii) In all departmental staff Selection Committees in the Central Office, an officer of the Commission belonging to Scheduled Caste/Scheduled Tribe has been nominated as a member. Besides, instructions are issued to the Commission's Directors in the State Offices to nominate an officer of the Commission belonging to SC/ST locally available or in case no such officer of the Commission is available locally, to nominate an officer of adequate status from local Central Government offices.
- (iv) Interviews of SC/ST candidates are arranged in separate sittings so that they are not judged in comparison to general candidates.
- (v) SC/ST candidates are given relaxation in experience while considering them for appointment in the Commission. They are also given training on stipendary basis before their absorption in regular vacancies.
- (vi) Candidates under training are paid travelling allowance.
- (vii) Besides, they are also given age relaxation as provided in Government rules.

3.10 Asked about the relaxation given to SC/ST candidates while recruiting them to various categories of posts in Khadi and Village Industries Commission, the Chairman, KVIC stated during evidence as under :

"If we advertise, in the case of Scheduled Castes and Scheduled Tribes, the age may be 28 to 30 instead of 25. In the case of basic qualifications, for the general candidates, we put down 1st class or 2nd class but in the case of Scheduled Castes, we would say that even if they are third class, that would be sufficient. In regard to experience, in the case of Scheduled Caste, we may say that they may not have so many years of experience. In the case of Scheduled Caste candidates that is relaxable. That is what we do."

3.11 When asked, to what extent Scheduled Caste/Scheduled Tribe candidates were given relaxation in experience at the time of appointment to various posts in KVIC, the Chairman, of the Commission stated that some discretion was given to the Services Board also. In this connection the Chair-

Man, KVIC stated as under :—

“In these matters, we can't be more specific than the Government of India itself. Whatever specific rules that have been laid down by the Government of India are applicable here too.”

The witness added :—

“It cannot be uniform. It depends upon experience. If it is 7 years for general candidates it may be 3 or 4 years for these people. We have issued a circular. This is dated September 27, 1977. Government of India issued instructions regarding reservation for Schedule caste/Scheduled Tribe in the services under the statutory and autonomous corporations. The Commission has already decided to implement the instructions of the Government in this respect. Standing order No. 491 was issued on the subject for the guidance of the appointing authorities.”

3.12 When the Committee enquired why the relaxations available to Scheduled Castes and Scheduled Tribes were not indicated in the circular or notification of the advertisement, the representative of the Commission admitted that in the advertisements issued so far they had not specified the relaxation in experience etc.

3.13 The Committee note that some concessions/relaxations are given to Scheduled Castes/Scheduled Tribe candidates at the time of recruitment in Khadi and Village Industries Commission. The Committee however feel surprised that these relaxations in age, experience and educational qualifications etc. are not specified in the advertisements issued in the newspapers. The Committee need hardly stress that these concessions/relaxations have no meaning unless these are brought to the notice of the Scheduled Caste/Scheduled Tribe applicants by precisely mentioning them in the advertisements which are issued in the various newspapers.

The Committee, therefore, stress that while issuing circulars/advertisements in newspapers for filling up the vacancies or while sending requisitions to the employment exchanges, the concessions/relaxations available to Scheduled Caste/Scheduled Tribe candidates should be specifically mentioned.

The Committee also find that Khadi and Village Industries Commission is an All-India organisation and they are operating in various parts of the country. The Committee therefore, recommend that Khadi and Village Industries Commission should bring out a small brochure mentioning therein the detailed procedure followed for making recruitment to various categories of posts both in the Central office and in the States. In that brochure, the relaxations/concessions available to Scheduled Castes/Scheduled Tribes both in direct recruitment and promotion should be precisely mentioned. Copies of these brochures should be available to the public through Commission's offices in various States.

The Committee have no doubt that these brochures will help in achieving uniformity in the recruitment of staff for the Commission in various States.

### C. Promotion

3.14 The representative of the Commission informed the Committee during evidence that in Khadi & Village Industries Commission 50% posts are filled by promotion, 25% by selection and 25% by direct recruitment.

3.15 The Committee have been informed that the procedure for promotions is to consider officers from eligible categories on the basis of seniority-cum-merit taking into consideration performance during the past five years. On identification of such vacancies, confidential reports of officers within the zone of consideration are submitted to the Services Selection Board, which recommends officers for promotion for final approval of the Commission.

3.16 When asked whether reservation orders in promotions were being followed in the KVIC, the representative of the Commission stated that these orders are not being followed in the Commission. The witness also stated that while considering them for promotion Scheduled Caste/Scheduled Tribe candidates are not given any relaxation regarding educational qualifications.

3.17 The Committee wanted to know the role of the Head Office in matters of promotion. The representative of the Commissions stated as follows :

“We know the strength of the State Office and we know how many posts are there which are falling within the purview of the State Office. If some posts are laying unfilled we know that and issue instructions to fill up those posts. We have got a system of preiodical inspections also to see whether they are following those instructions or not.”

3.18 The following statement indicates the number of persons promoted during the years 1980, 1981 and 1982 in various categories of posts and the number of Scheduled Castes/Scheduled Tribes among them. :

Category of posts.	Year	Total No. of employees promoted	No. of		Percentage		Shortfall	
			SC.	ST.	SC	ST	SC	ST
1	2	3	4	5	6	7	8	9
Group-A	1980	Nil	—	—	—	—	—	—
	1981	23	—	—	—	—	100%	100% Reser- vation 3 & 1
	1982	1	1	—	100%	—	Nil	—Reservation 1—SC



1	2	3	4	5	6	7	8	9
Group-B	1980	20	—	1	—	33.3%	100%	66.7%
								Reservation SC-2 & ST-3
	1981	24	1	1	33.3%	—	66.7%	—Reservation SC-3 & ST Nil.
	1982	24	1	—	33.3%	—	66.7%	100% Re- servation SC-3 & ST-3
Group-C	— Information not available.							
Group-D	— Not applicable.							

3.19 As regards the small number of promotions made in the Commission, the representative of the Commission has stated that due to shortage of officers in feeder cadres, adequate number of persons could not be promoted.

3.20 When the Committee enquired why information regarding the total number of employees promoted in group 'C' and the number of Scheduled Castes/Scheduled Tribes among them was not available with the Commission, the representative of the Commissions stated as under :

"As far as Group 'C' is concerned, the picture is not clear not only with regard, to the Scheduled Castes and Scheduled Tribes reservation roster, but even of the entire filling in of the vacancies. The Commission took a note of it three months back. Now we are required to submit correct position by 31st March. If I give some information that will not be correct. So, I do not want to give information which may later on prove to be incorrect."

3.21 When asked to explain why reservation orders regarding promotions were not made applicable in Khadi & Village Industries Commission even to Group 'D' posts, the representative of the Commission stated as under :

"There is no promotion in Group 'D'. They are all directly recruited people. Peons, chowkidars etc. are not promotion posts. Actually, in our Commission, even if a man is known as sweeper, he will not be actually doing the work which is very dirty. Peon is not considered a promotion over the sweeper."

3.22 The Committee wanted to know whether the Government instruction that 25% of the vacancies in the grade of peons should be reserved for sweepers who have put in at least 5 years of service in the organisation, are being followed. The representative of the Commission assured the Committee that Government instructions on the subject will be followed.

3.23 In reply to a question, the representative of the Commission informed the Committee that the Annual Confidential Reports of the employees upto the level of Upper Division Clerk are maintained in the State offices but the Confidential Reports of the employees beyond that level are maintained in Central office, Bombay.

3.24 The Committee are concerned to note that Khadi and Village Industries Commission is not following Government instructions in regard to the implementation of reservation orders in promotions. The data furnished to the Committee regarding promotions made during the years 1980-82 is not only confusing but utterly unreliable. The statement indicates that there was no promotion in Group A in 1980 but in 1981 there were 23 promotions in Group A. Again in 1983 there was only one promotion of a person belonging to Scheduled Castes category.

The representative of the Commission admitted during evidence that as far as Group C is concerned the picture is not clear not only with regard to Scheduled Castes and Scheduled Tribes reservation roster but even with respect to the entire filling in of the vacancies. The Committee cannot but express their displeasure at the unsatisfactory state of affairs in the Khadi and Village Industries Commission in so far as promotions to various categories of posts is concerned. The Committee cannot accept the plea taken by the representative of the Commission that since there is shortage of officers in feeder cadres adequate number of Scheduled Castes and Scheduled Tribes could not be promoted during the years 1980-82.

The Committee can draw only one conclusion that the Central office of KVIC at Bombay is not exercising proper control on their States Offices and there is no proper feedback to the Central Office from the States offices in regard to the promotions made particularly in Group 'C'.

The Committee, therefore, recommend that the whole promotion policy for the Central Office of the Khadi and Village Industries Commission as well as for their State Units should be reviewed and clear-cut guidelines should be laid down in regard to the promotions to be made in various categories of posts. The Committee would like that a new and correct statement indicating the promotions made in Groups A, B and C during the years 1980-83 should be furnished to the Committee for their information.

3.25 The committee are concerned to note that the orders of the Government that 25% of the vacancies accruing in the grade of Peons will be reserved for being filled by transfer of sweepers, farrashes, chowkidars etc. who have put in a minimum of 5 years service even though they may not be possessing minimum educational qualifications prescribed for direct recruitment to the posts are not being followed by the Commission. The Committee would like to be apprised if these instructions have now been implemented by the Commission so that eligible Scheduled Caste/Scheduled Tribe persons who are working as sweepers are absorbed against the post of peons so that they get elevated in their social status.

#### D. Services Selection Board/Staff Selection Committees

3.26 The Committee have been informed that in Khadi and Village Industries Commission a Services Selection Board has been set up which is of an advisory nature. The members of the Board also sit in the interview boards. The Selection Board selects 30—40 people at a time. Besides, other problems are referred to them. For selecting candidates for lower posts there are departmental selection Committees in the Khadi and Village Industries Commission.

3.27 At present there are four members on the Services Board. They are Shri J.N. Tiwari, formerly Chief Executive Officer of Khadi and Village Industries Commission, Dr. R.K. Salhotra, from I.I.T., Delhi/Mr. Panikar, a retired IAS Officer from Kerala and Shri S.B. Goel, Deputy Secretary in the Ministry of Industry. Mr. Tiwari retired as Secretary to the Government of India in the Deptt. of Official Languages.

3.28 When asked why it was necessary to bring 3 persons from outside to serve on the Services Selection Board, the representative of Khadi and Village Industries Commission stated during evidence that there is no bar that persons from outside can not be appointed as members of the Board. The witness added that at present Shri J. N. Tiwari is the Chairman of the Services Selection Board and he is on the Board for the last 3 months. The Chairman and the members of the Board are part-time. They get Rs. 50/- per day for attending the meetings. The Chairmen of the earlier Boards were drawing Rs. 1000/-per month.

3.29 The Committee desired to know the functions of the Services Board and Staff Selection Committees of the Khadi and Village Industries Commission. The Chairman, Khadi and Village Industries Commission explained their functions as under :—

“Services Board had been constituted to make recommendations regarding recruitment by promotion, selection and direct recruitment to the Gazetted posts of Khadi and Village Industries Commission. So far, its recruitment has been confined to the gazetted post. We are also thinking whether the Services Board could be entrusted with the recruitment of even non-gazetted side such as development officer.”

As regards the Staff Selection Committee, it is only an internal Committee. The Services Board consists of persons outside the regular commission. So far as the Chairman of the Services Board is concerned, we have tried to put perhaps the best, persons then available either retired ICS or IAS officers.”

3.30 The Committee enquired why the Commission which was an autonomous body and entrusted with selection of employees also, had felt the necessity of appointing the Services Board when the number of recruitment made by the Commission to various categories of posts was small. In this

connection, the Chairman, Khadi and Village Industries Commission stated as under :—

“It was because of the fact that there should be an independent body. As the Central Government has got the U.P.S.C. we thought that we should have an independent body for the purpose of selecting gazetted officers. Of course, the Commission itself can make appointment, conduct interviews, call for applications etc.”

3.31 Referring to the small volume of work as pointed out by the Committee, the Chairman, Khadi and Village Industries Commission stated :—

“It is not only recruitment which the Services Board looks after but there are other functions also. In a way, the Chairman of the Services Board is a full time person because several things come up. Although the Services Board sits once a month or twice, as far as the Chairman is concerned, he has got several other responsibilities to look after.”

3.32 The witness informed the Committee that with the reconstitution of the Committee the services Board is also reconstituted. The present Services Board was constituted in January, 1984 and since then it has held one sitting.

3.33 Asked whether there was any member from Scheduled Caste/Scheduled Tribe community on the Board, the representative of the Commission informed the Committee that the Commission has decided to have one Scheduled Caste representative as the fifth member of the Board. It was stated that the person whose name is being considered for appointment on the Board is at present Secretary, Railway Service Commission, Bombay and the Khadi and Village Industries Commission has already sought the concurrence of the Ministry or Railways in this regard.

3.34 When asked whether any person from Scheduled Caste/Scheduled Tribe had been appointed in the Services Board, the Chairman, Khadi and Village Industries Commission stated as follows :—

“With the constitution of every Commission, all the Committees constituted by the previous Commission, become defunct. We again constitute Committees and Services Boards. Similarly, we have constituted it in which Scheduled Caste man has been included. We have simultaneously written to the Minister of Railways that he, Secretary, Railway Service Commission who is Scheduled Caste may be allowed to function as a Member of the Services Board also. The sanction has been given.”

The witness added :—

“Along with the constitution of the Board, we sought the permission of the Ministry to include Mr. Sanglikar. We have selected him. He is experienced. He is based in Bombay and we have sought

simultaneously the permission of the Chairman of the Railway Board. We have got his consent. Formal appointment orders will be issued only after the receipt of the clearance from the Ministry of Railways. We are waiting."

3.35 The Committee expressed their doubt if Secretary, Railway Service Commission who was being included in the Services Board as a member would be in a position to discharge his functions in view of his responsibilities in the Railway Service Commission. In this Connection, the Chairman, Khadi and Village Industries Commission stated as under :—

"The Chairman is more or less a full time man and the members will be present only for the meetings which take place at periodic intervals in the Headquarters which will not be difficult."

3.36 The Committee note that there is a Services Selection Board in the Khadi and Village Industries Commission. Besides, there are Departmental Selection Committees for selecting candidates for lower posts. It was stated during evidence that with the re-constitution of the Commission the Services Selection Board is also reconstituted. The present Board was constituted in January, 1984. At present there are 4 members on this Board but none of them belong to Scheduled Caste/Scheduled Tribe community. However, the Committee were informed during evidence that the Commission has decided to have one Scheduled Caste representative as the fifth member of the Board. The person whose name is being considered for appointment on the Board is at present Secretary, Railway Service Commission, Bombay and the Commission has already sought the concurrence of the Ministry of Railways (Railway Board) in this regard. The Committee were further informed that the formal appointment orders will be issued only after his name is cleared by the Ministry of Railways. The Committee are surprised to note that in the past no Scheduled Caste/Scheduled Tribe member had been appointed on the Services Selection Board of Khadi and Village Industries Commission. The Committee firmly believe that the name of the Secretary, Railway Service Commission, Bombay was considered for inclusion in the Services Selection Board only after the Committee took up the subject for examination. The Committee recommend that a Scheduled Caste or Scheduled Tribe officer should invariably be included in the Services Selection Board and in Staff Selection Committees of the Khadi and Village Industries Commission so as to instill confidence in the Scheduled Caste/Scheduled Tribe candidates and employees. The Committee would like that Khadi and Village Industries Commission should issue necessary instructions in this regard.

#### E. Rosters

3.37 The Committee have been informed in a note furnished by the Ministry of Industry that in the Khadi and Village Industries Commission rosters are being maintained for each category of post separately since 1978.

3.38 The Committee enquired during evidence about dates when the maintenance of rosters was started in Khadi and Village Industries Commission

both in direct recruitment and promotion in the Head Office as well as in the Regional offices and State Offices. In this connection, the representative of the Commission has stated as under :

“The roster was introduced in 1978. As the Committee is aware, in 1964 the Government of India issued certain instructions on reservation. But the then Chairman of the Commission, even before those instructions were issued, had introduced the reservation element in the Commission. There was no roster at that point of time. We have taken up the roster system only in 1978.”

3.39 In reply to a question it has been stated that till 22.9.1983 Director (Admn.) was the Liaison Officer and he was required to maintain the rosters. As such, the question of inspecting the rosters separately by the Liaison Officer did not arise. The Committee have further been informed that an officer other than the Director (Administration) was appointed as Liaison Officer w.e.f. 22nd September, 1983. He would now be inspecting the rosters every quarter.

3.40 Regarding the maintenance and inspection of rosters for Group 'C' posts, the representative of the Commission has stated during evidence as under :

“As far as Group 'C' is concerned, the record is maintained at the State Level. Actually, as originally stated, inspection was not done. We have now started doing inspection of the rosters. When we saw our own rosterf, we found it was not very correct. So, we cannot vouchsafe the correctness. Therefore, we would request the indulgence of the Committee.”

3.41 In reply to a question it has been stated that in State offices, the practice so far has been to inspect the rosters as and when general inspection of these offices is undertaken. However, there has been no fixed periodicity either in the case of general inspection or inspection of rosters. The new Liaison Officer has been asked to inspect these rosters at least once a year.

3.42 When the Committee enquired if this reply gave an impression that the rosters were inspected regularly in the State Offices, the representative of the Commission stated :

“This was not the impression. The statement was made earlier also that these inspections could not be done, and we havernow started doing inspections. It is an honest intention to improve the things.”

3.43 Asked about the nature of discrepancies found in the rosters, it has been stated that till September, 1983 Director (Admn.) was the Liaison officer and no inspections were made with a view to find discrepancies. Even in the case of State offices no notes regarding inspection of rosters were maintained. However, with the appointment of a separate Liaison Officer, it would be

ensured that inspection of rosters was done regularly and corrective action taken.

3.44 The Committee note that reservation orders were made applicable in the Khadi and Village Industries Commission from 6th October, 1964 but the maintenance of rosters for each category of post separately was started in 1978. Thus Khadi and Village Industries Commission started maintaining rosters 14 years after the date of the implementation of reservation orders. No satisfactory explanation has been furnished to the Committee for this inordinate delay in the maintenance of rosters.

The Committee further note that Director (Administration), who was also the Liaison Officer was required to maintain the rosters and hence the question of inspection of rosters by the same person did not arise. Subsequently, an officer other than the Director (Administration) was appointed as Liaison Officer w.e.f. 22nd September, 1983 who would now be inspecting the rosters periodically and submit regular reports, for taking corrective action. In so far as State offices are concerned the Committee note that the practice so far has been to inspect the rosters as and when the general inspection of these offices is undertaken. However, there has been no fixed periodicity for making general inspection of the State Offices.

From all accounts available, both written and verbal, the Committee are led to believe that proper attention has not been given towards maintenance of rosters and their periodical checking by the Liaison Officer with the result that the whole system has been working in a haphazard manner.

The Committee need hardly stress that the rosters are the king-pins on which the whole system of implementation of reservation orders rests. As such, the Committee recommend that the rosters should be properly maintained and checked in the Head Office, Regional Offices and State Offices of Khadi and Village Industries Commission by the Liaison Officer at least once a year and signed in token of such inspection. The Liaison Officer should submit regular inspection Reports to the Head Office of Khadi and Village Industries Commission so that the mistakes noticed in the rosters are rectified promptly.

3.45 The Committee also feel that one Liaison Officer appointed in September, 1983 may not be able to cope with the work of checking the rosters both in the Head Office and in Regional/State Offices of Khadi and Village Industries Commission.

The Commission should, therefore, consider if there is need to appoint separate Liaison officer in each Regional office.

#### F. De-reservations

3.46 It has been stated that for dereservation of vacancies in Groups A and B permission is obtained from the Chief Executive Officer and the Chair-

man, Khadi and Village Industries Commission in anticipation of the *Post-facto* approval of the Commission.

3.47 In respect of vacancies in Group C & D posts, CEO's approval for de-reservation is obtained on the relevant files. Thereafter the proposals are submitted to the Commission alongwith the full particulars for ratification of the approval so given by the CEO/Chairman. On approval of the said proposals, the reserved vacancies are carried forward to the subsequent three recruitment years. In case no Scheduled Caste/Scheduled Tribe is available during the third year, the vacancy is interchanged between Scheduled Caste/Scheduled Tribe during the fourth recruitment year and even thereafter if it remains unfilled, the vacancy will be treated as lapsed. The decision of the Commission is thereafter conveyed to the respective appointing authorities for implementation.

3.48 The following statement indicates the total number of reserved vacancies which were dereserved and carried forward during the years 1980 to 1982 :—

Year	<u>Carried Forward</u>	
	SC	ST
<i>GROUP 'A'</i>		
1980	4	2
1981	6	4
1982	4	3
<i>GROUP 'B'</i>		
1980	19	5
1981	19	3
1982	23	8
<i>GROUP 'C'</i>		
1980	18	9
1981	74	35
1982	86	46
<i>GROUP 'D'</i>		
1980	3	8
1981	3	9
1982	—	9

3.49 The Committee are concerned to note that a large number of reserved vacancies in Groups A, B, C and D were dereserved by Khadi and Village Industries Commission during the years 1980, 1981 and 1982. The Committee feel surprised that the Commission could not fill the reserved vacancies even in Groups C and D for which the candidates are not expected to possess high technical qualifications.



The Committee recommend that as far as possible no vacancy reserved for Scheduled Caste/Scheduled Tribe should be dereserved as the committee is basically opposed to the principle of dereservation.

3.50 The Committee suggest that Khadi and Village Industries Commission should resort to special recruitment of Scheduled Caste/Scheduled Tribe candidates which with a view to fill all the reserved vacancies which could not be filled earlier and which have not lapsed so far.

**CHAPTER IV**  
**STAFF STRENGTH AND SHORTFALLS**

**A. Staff Strength**

4.1 A statement showing the total number of employees in various categories of posts in the Khadi and Village Industries Commission and the number of Scheduled Castes and Scheduled Tribes among them as on 6.10.1964 when the reservation orders came into force is given below :—

Category of posts	Total No. of employees in 1964	No. of		Percentage	
		SCs	STs	SCs	STs
1	2	3	4	5	6
Group—A	76	—	—	—	—
Group—B	83	—	—	—	—
Group—C	4406	56	8	1.27%	0.18%
Group—D	561	49	3	8.7%	0.53%
Sweepers/Scavengers	13	8	—	61.61%	—
	<u>5139</u>	<u>113</u>	<u>11</u>		

Shortfalls		Percentage		Remarks
SCs	STs	SCs	STs	
7	8	9	10	11
1	—	—	—	Reservation of posts to SC/ST in 1964 was applicable only to posts by direct recruitment and hence the question of shortfall in relation to the staff strength may not arise.
—	—	—	—	
—	—	—	—	
—	—	—	—	
—	—	—	—	
Total employees 5139				
Total SC and ST=124				

4.2 Staff strength in Khadi and Village Industries Commission as on 31.8.1982 has been stated to be as under :—

Category of posts	Total No. of employees	No of		Percentage	
		SCs	STs	SCs	STs
1	2	3	4	5	6
Group—A	104	4	3	3.84	2.88
Group—B	523	18	3	3.44	0.57
Group—C	3054	174	31	5.59	1.01
Group—D	918	97	29	10.56	3.16
Sweepers/Scavengers	36	34	2	94.44	5.55
<b>Total employees</b>	<b>4635</b>	<b>327</b>	<b>68</b>		

Shortfalls		Percentage	
SCs	STs	SCs	STs
7	8	9	10
12	5	11.16	4.62
60	36	11.56	6.93
284	198	9.31	6.49
41	40	4.44	4.34
—	—	—	—

Total SC and ST=395

4.3 Referring to the statements relating to the Staff Strength in the Khadi and Village Industries Commission in 1964 and 1982, respectively the Committee enquired why the total number of employees in Group 'C' had been reduced to 3054 in 1982 as compared to 4406 employees in Group 'C' in 1964. They wanted to know the reasons of reduction of the staff in this category.

4.4 The representative of the Ministry of Industry (Deptt. of Industrial Development) explained that the reduction in staff was on account of the ban on recruitments, closing the activities of the Commission in three States namely Bihar, Gujarat and Tamil Nadu and the decision that the State Boards should themselves carry on their activities.

4.5 Referring to the ban on recruitment as one of the reasons for short-fall in the representation of Scheduled Castes/Scheduled Tribes in Khadi and Village Industries Commission, the Committee enquired as to when ban on making recruitment was introduced in the Commission. The representative of the Khadi and Village Industries Commission stated as under :—

“This ban was operated in general terms, not for Scheduled Caste/Scheduled Tribe only. Even now, we cannot fill in vacancies. There are Government instructions in this regard. It is for all categories of posts.”

4.6 When the Committee pointed out that in spite of the ban, some recruitments were still being made in the Khadi and Village Industries Commission, the representative of the Commission, stated as under :—

“In a Commission, there are plan posts and non-plan posts. If there are some plan posts some provision for the posts is in-built in the scheme itself. We fill in these vacancies. But we are not trying to fill in more and more vacancies. It is a fact that much of a recruitment has not been done from 1964 onwards.”

4.7 A statement showing the recruitment made by the Khadi and Village Industries Commission during the last three years i.e. from 1980 to 1982 is given below :—

Category of post	Year	Total No. of vacancies occurred.	Total No. of vacancies actually filled	No. of vacancies reserved for							No. of S.C. candidates appointed.
				Sch. Castes		Sch. Tribes		C/F Reser-			
				from ved pre- during vious this year	from ved pre- during vious this year	Total	Total	Total	8	9	
1	2	3	4	5	6	7	8	9	10	11	

Group A Vacancies carried forward — 1979 (11)

1980	14	—	1	3	4	4	1	1	1	2	—
1981	15	24	4	2	6	6	2	2	2	4	—
1982	7	16	6	1	7	7	4	—	—	4	3
Group B	1980	57	25	11	9	20	—	5	5	5	1
1981	63	61	19	6	25	25	5	1	6	6	6
1982	56	58	19	9	28	28	3	5	8	5	5
Group C	1980	98	45	11	15	26	4	7	11	11	8
1981	420	48	18	63	81	81	9	30	39	39	7
1982	256	109	74	37	111	111	35	18	53	53	25
Group D	1980	22	17	3	3	6	6	2	8	8	3
1981	9	9	3	2	5	5	8	1	9	9	2
1982	43	43	3	7	10	10	9	3	12	12	13

No. of S.T. Candidates appointed.	Number of vacancies carried forward		
	Sch. Castes.	Sch. Tribes	
12	13	14	
—	4	2	
—	6	4	
1	4	3	
—	19	5	
3	19	3	
—	23	8	
2	18	9	
4	74	35	
7	86	46	
—	3	8	
—	3	9	
3	—	9	

Group—C : Most of these vacancies are filled at State level. Though we have taken utmost care to give correct figures, these are based on information available with us obtained with much effort. Some information may still be missing and some vacancies might have been filled on acting basis. The element of reservation filled therein is not available. There are hence chances of marginal variations.

4.8 The Committee drew the attention of the representative of the Khadi and Village Industries Commission to the foot-note given under the statement relating to the recruitments made during the last 3 years and pointed out that in Group 'C' some information may be missing and some vacancies might have been filled up on an acting basis. The Committee desired the representative of the Khadi and Village Industries Commission to clarify about the authenticity of the statement. In this connection, the representative of the Commission stated that the vacancies in Group 'A' and Group 'B' posts are filled up at the headquarters level. The witness stated that these marginal variations are because of the fact that some of the vacancies filled on acting basis have not been reflected in the statement. In reply to a question the witness stated that those vacancies were filled for a period of six months in the first instance. The witness admitted that the principle of reservation will apply if a vacancy is filled for a period of 45 days.

4.9 When the Committee pointed out that the Scheduled Caste/Scheduled Tribe employees should get their due share in the Khadi and Village Industries Commission, the representative of the Commission stated that the figures relating to the recruitment made during the last three years *i.e.* 1980, 1981 and 1982 indicated that more or less the reserved quota had been filled up.

4.10 Referring to the recruitment figures of 1980 in Group 'C', the Committee pointed out that out of 45 vacancies which were actually filled, 26 vacancies were reserved for Scheduled Castes and 11 for Scheduled Tribes. But against those reserved vacancies only 8 Scheduled Castes and 2 Scheduled Tribes were recruited in that year. The Committee enquired whether suitable Scheduled Castes/Scheduled Tribes candidates were not available even for Group 'C' posts.

4.11 Explaining the reasons for shortfull of Scheduled Caste/Scheduled Tribe candidates in various categories of posts in the Commission, the representative of the Ministry of Industry (Department of Industrial Development) stated as under :—

- "In 1964 the cadre had a certain number of Scheduled Caste and Scheduled Tribe people and a certain number of people other than Scheduled Castes and Scheduled Tribes. The base itself did not expand. Government did not ban recruitment; Government only banned creation of posts. It is from the base that you are promoting. Since the base did not expand, more Scheduled Caste/Scheduled Tribe people could not get to the base and they could not go up. Since the original base was so structured that we did not have enough candidates, there was a shortfull. It will take time to correct it."

4.12 The Committee noted that in Group 'C', in 1981, there were 420 vacancies while vacancies actually filled were 48. Similarly, in 1982, total number of vacancies were 256 but the vacancies actually filled were 109. The

Committee enquired how in the light of the ban on recruitment those vacancies had occurred in 1981 and 1982.

4.13 In this regard, the representative of the Khadi and Village Industries Commission stated as under :—

“If you go through 1981 and 1982 there are more number of vacancies which have occurred and less number of vacancies which have been filled up. The reason is that though vacancies have been created, actually that was what I was saying—we cannot fill. As far as embargo is concerned, it is on filling up of posts and it is not on creation of posts.”

4.14 Explaining the reasons for shortfalls in various categories of posts, the representative of the Ministry of Industry (Department of Industrial Development) stated as under :—

“The reason for shortfall is that they are not getting adequate salary. When we are wanting qualified men, there are the banks, there are other offices, and people come there. That is as far as Group ‘A’ and ‘B’ are concerned. As far as Group ‘D’ is concerned there is no shortfall. The shortfall is in Group ‘C’ only.”

4.15 The Committee pointed out that as per statement of the staff strength in 1982 Scheduled Caste employees were short to the extent of 4.44% even in Group ‘D’ posts. In this connection, the representative of Ministry of Industry (Department of Industrial Development) stated as under :—

“If at all there is any shortfall, it is negligible. Possibly, there is no shortfall. Even in the case of promotion, it is so. That takes into account the past also, pre-1964, when it was ‘zero’ or .1 or .2. It has started climbing up.”

4.16 Referring to the figures relating to the recruitment made during the last three years, the Committee observed that there was a shortfall of Scheduled Casts/Scheduled Tribe employees almost in every Group in the Commission. In 1980 out of 6 posts reserved for Scheduled Caste in Group ‘D’ only 3 were filled and in 1981 out of 5 vacancies reserved for them only 2 Scheduled Caste were appointed.

4.17 The following remedial measures are stated to have been taken by the Khadi and Village Industries Commission to wipe out the shortfall :—

- (1) The percentage of reservation was enhanced to the extent of 25 in case of Scheduled Castes and Scheduled Tribes in group ‘C’ posts and to the extent of 25 in respect of Scheduled Caste only for group ‘D’ posts, as an interim measure.
- (2) The Commission has strictly followed the Government of India’s



instructions issued from time to time. Accordingly the guideline were circulated to all the subordinate offices of the Commission. Each office of the Commission including the Control office, Bombay started maintaining the rosters and the posts were reserved for Scheduled Castes/Scheduled Tribes candidates proportionately according to the prescribed quota.

- (3) The Commission has also considered reducing/waiving the period of experience required for the posts under it which are reserved for Scheduled Caste/Scheduled Tribe candidates. It has been decided to appoint much of the candidates provided they agree to undergo the prescribed course of training on reasonable stipends.
- (4) The Commission in its meeting held on 30.6.1981, decided that the candidates belonging to Scheduled Castes/Scheduled Tribes, selected for appointment for posts under the Commission against selection and direct recruitment quotas by relaxation of prescribed experience may be given stipend as shown hereunder during the period of training :—

S. No.	Category	Stipend	Period of Training
1.	Director, Dy. Director, Asstt. Director and equivalent.	Rs. 500/-	6 months
2.	Development Officer	Rs. 400/-	1 year
3.	Asstt. Development Officer and equivalent	Rs. 300/-	1 year
4.	Supervisor-I, II & III.	Rs. 200/-	1 year

4.18 The Committee desired to know whether the Khadi and Village Industries Commission was prepared to make special recruitment to fill up the backlog of reserved vacancies. The representative of the Commission stated as under :—

“There is a backlog. We have already gone on record saying that there is a backlog. We have also admitted that special recruitment has not taken place. Now, with this position we in the Commission will first try to make up this backing in the vacancies yet to occur on the basis of the 50% reservation to be made for the Scheduled Castes and Scheduled Tribes in Group C and D. And if that is not possible, we shall surely consider special recruitment in Group ‘C’.”

4.19 The Committee note that the reservation orders were made applicable to Khadi and Village Industries Commission in 1964. The statement relating to the staff strength in 1964 indicates that there were 5139 employees in the Commission out of which 124 belonged to Scheduled Castes and Scheduled Tribes. The statement indicating the staff strength as on 31.3.1982 indicates that the total number of employees in Khadi and Village Industries Commission was 4,635 out of which Scheduled Caste and Scheduled Tribe employees were only 395. During evidence when the Committee enquired why the total number of employees in Group 'C' had been reduced to 3054 in 1982 as compared to 4406 in 1964, the representative of the Ministry of Industry (Department of Industrial Development) had stated that this was on account of ban on recruitments, closing the activities of the Commission in three States, namely Bihar, Gujarat and Tamilnadu and the decision that the State Boards should themselves carry on their activities. Subsequently, the representative of the Department of Industrial Development corrected his statement by saying that "Government did not ban recruitment; Government only banned creation of posts." In this connection, the representative of Khadi and Village Industries Commission stated categorically that "as far as embargo is concerned, it is on filling up of posts and it is not on creation of posts."

From the above contradictory statements made by the representative of the Ministry and of the Commission the Committee can draw only one conclusion that the concerned authorities have no clear grasp as to why there have been consistent shortfalls in the recruitment of Scheduled Castes and Scheduled Tribes in the Commission. The Committee need hardly stress that if the Khadi and Village Industries Commission was sincere in their efforts to recruit Scheduled Castes and Scheduled Tribes according to the reservation policy laid down by the Central Government there is no reason why there should be shortfalls in various categories of posts.

The statement showing the recruitment made during the years 1980, 1981 and 1982 indicates that the total number of vacancies were always much more than the number of vacancies actually filled. The representative of the Commission explained this variation by saying that some of the vacancies had been filled "on Acting basis" which had not been reflected in the statement. The representative of the Commission also admitted that the principle of reservation was applicable if the vacancy was for a period of 45 days or more. In these circumstances, the Committee are at a loss to understand how the Commission was filling up posts on "acting basis" from year to year with the result that the recruitment figures for 1980, 1981 and 1982 do not indicate a true picture. The Committee, therefore, conclude that the data given in the statement is not reliable and a clear picture regarding the recruitments made in each group is not available even with the Khadi and Village Industries Commission. This conclusion of the Committee gets necessary support from the footnote given in the statement relating to the recruitments for the years 1980 to 1982. The footnote states that "some information may still be missing and some vacancies might have been filled on acting basis. The element of reservation filled therein is not available." These words are revealing and indicate the actual state of affairs of the working of the Khadi and Village

**Industries Commission. The Committee feel surprised that this organisation which has a large number of regional offices and is catering to the needs of the handloom sector in almost all states should be so mismanaged that authentic data regarding their own employees is not available with the headquarter of the Commission.**

**The Committee would like to be apprised as to how far the remedial measures proposed to be taken by the Khadi and Village Industries Commission have succeeded in clearing the backlog in all categories of posts.**

**4.20 The Committee recommend that the Khadi and Village Industries Commission should go into the question of unattractive payscales of their employees vis-a-vis other organisations and try to improve the pay-scales wherever they consider it necessary to do so.**

**4.21 The Committee recommend that the Commission should make serious efforts to remove the shortfalls in Group 'C' and 'D' posts for which there appears to be no dearth of Scheduled Caste and Scheduled Tribe candidates. In order to remove the shortfalls 50% of all fresh vacancies should be filled by Scheduled Caste and Scheduled Tribe candidates till such time the backlog is cleared. In case this procedure does not help to wipe out the shortfalls, the Commission might consider to make special recruitment to Group 'C' posts exclusively for Scheduled Castes and Scheduled Tribes.**

#### **B. In-service Training**

**4.22 During evidence the representative of the Khadi and Village Industries Commission informed the Committee that in Khadi and Village Industries Commission no special arrangements had been made for giving in-service training to the Scheduled Castes and Scheduled Tribes but they were given this training alongwith the employees belonging to other Communities. The witness added that only these candidates who were on probation were given such a training and some of the selected candidates were from the Commission and some from outside.**

**4.23 When the Committee enquired whether there was any proposal to introduce such a training programme in the Commission in the near future, the representative of the Commission stated that the Commission is considering to introduce separate in-service training programme for Scheduled Caste/Scheduled Tribe employees. The witness assured the Committee that the Commission will follow the government instructions in this regard.**

**4.24 The Committee note that in Khadi and Village Industries Commission the selected candidates who are on probation are given in-service training. However, no special arrangements have been made for giving in-service training to the Scheduled Caste/Scheduled Tribe employees but they are given this training alongwith other employees. The representative of the Commission stated during evidence that the Commission was considering to introduce separate in-service training programme for Scheduled Caste/Scheduled Tribe employees. He assured the Committee that they will follow the directions of the Government in this regard. The**

Committee need hardly stress that the aim of the in-service training is to bring Scheduled Castes and Scheduled Tribes candidates upto the required standard. The Committee, therefore, recommend that in-service training scheme for Scheduled Caste and and Scheduled Tribe employees should be introduced forthwith.

The Committee also recommend that pre-promotion training programmes should be arranged for the benefit of Scheduled Caste/Scheduled Tribe employees, who are eligible for promotion prior to the holding of written tests so as to improve their chances of selection.

## CHAPTER V

### FACILITIES PROVIDED FOR THE ECONOMIC DEVELOPMENT OF SCHEDULED CASTES AND SCHEDULED TRIBES

#### A. Objectives

5.1 The Government of India has accorded an important place to Khadi and Village Industries programmes in the overall economic development of the country from the views point of employment generation in rural areas. The Industrial Policy, announced in July 1980, *inter alia*, stated that "the Government is determined to promote such a form of industrialisation in the country as can generate economic viability in the villages. Promotion of suitable industries in rural areas will be accelerated to generate higher employment and higher *per capita* income for the villagers in the country without disturbing the ecological balance. Handlooms, Handicrafts, Khadi and other Village Industries will receive greater attention to achieve a faster rate of growth in the villages". In the Statement on Textile Policy, announced by the Government in March, 1981, it was stated that "the Government is committed to encourage production of textiles and textile products in the Khadi Sector. Considering its large employment potential, it would be the endeavour of the Government to make the products of this sector more competitive and of better quality." The New 20-Point Economic Programme, announced by the Prime Minister, in January 1982, also includes some items which have a close bearing on the development of Khadi and Village Industries activities, in particular (a) strengthening and expanding coverage of Integrated Rural Development and National Rural Employment Programme, (b) accelerating programme for the Development of Scheduled Castes and Scheduled Tribes, (c) vigorous implementation of Afforestation, Social and Farm Forestry and the development of Bio-Gas and other alternative energy sources, (d) acceleration of Welfare Programme for women and children, Nutrition Programme for pregnant women, nursing mothers and children, specially in the tribal, hill and backward areas and (e) Liberalisation of Investment Procedure and streamlining of industrial policies to ensure timely completion of projects, all facilities to handicrafts, handlooms, small and village industries to grow and to update technology.

5.2 The activities of the Khadi and Village Industries Commission are carried out through two organisations, *viz.* State Khadi and Village Industries Boards and the Voluntary Organisations to whom the Commission provides financial assistance.

5.3 The Committee were informed in a note that though the Scheduled Caste and Scheduled Tribe constitute about 22½% of the population, the development programmes of the Khadi and Village Industries Commission have

enabled them to have a share of about 27% in the Khadi and Village Industries Commission Sector's total employment opportunities.

5.4 During the year 1981-82 Khadi and Village Industries Commission started 5 Regional Offices in the North East viz. Mizoram, Meghalaya, Manipur, Nagaland & Arunachal Pradesh. For accelerating development of departmental activities by opening new Khadi Gramodyog Bhavans and Khadi & Village Industries production units, the Khadi and Village Industries Commission's departmental activities are being continued through 14 Regional Offices with a net work of about 133 Centres and sub-centres.

5.5 The efforts of the Khadi and Village Industries Commission for the development of Khadi and Village Industries in these areas are, hampered by various constraints such as inaccessability, lack of transport and proper communication facilities. Nevertheless these efforts have brought about improvement in the life styles of local population particularly the women folk.

#### **B. Financial assistance to Institutions and Individual Artisans**

5.6 It has been stated that Khadi and Village Industries Commission has been extending financial assistance in the form of grant under Integrated Development Programme to the Societies and Institutions mostly working in Weaker Section Areas engaged in introducing Khadi & Village Industries Units, particularly in the areas where hardly any Khadi and/or village industries activities had been initiated or where such activities had not even been heard or known to the local people. The main purpose in giving a grant of Rs. 40,000/- during a continuous period of 7 years on a tapering scale per IDP block to an institution, is to bear initially the cost of establishment of certain technical staff till such time the Khadi and Village Industries Units start generating economy within a reasonable period of 7 years and then achieve self-sufficiency to maintain the same staff for further development.

5.7 Apart from financing the technical staff per IDP Block of an Institution or a Society working in the Weaker Section Area, it has been made a pre-condition to identify the local Scheduled Caste/Scheduled Tribe artisans particularly Cobblers, Tanners, Shoe-makers, Fibre Matting, Bamboo Matting, Potters etc. and to supply them improved tools and equipments on 75% grant and 25% loan basis and also to make arrangements for regular supply of raw-materials under individual financing schemes. As many as 67 Institutions were assisted under IDP involving 102 IDP Blocks in 1981-82.

The Khadi and Village Industries Commission has also decided to extend financial assistance to individual Scheduled Caste/Scheduled Tribe artisans on Liberalised basis (75% grant and 25% loan) even though they are outside the Weaker Section Areas, if they form a Society of Scheduled Caste/Scheduled Tribe artisans or if they are working as individual artisans in a City/Town or a Village to be sponsored by local Institutions/Societies and State Boards, the monitoring system that would be required at various levels in order to safeguard

the interests of the individual Scheduled Caste/Scheduled Tribe artisans as well as the Khadi and Village Industries Commission is being thought of.

Regarding rate of interest charged on loans given for Khadi and Village Industries it has been stated in a note that Khadi loans are interest free. In the case of Village Industries 4% interest is charged on all loans disbursed with effect from 1.4.1974. Whenever, the loans are raised from banks under Khadi and Village Industries Commission's interest subsidy scheme, the institutions are required to bear 4% rate of interest. The difference between the lending rate of banks and 4 percent is subsidised by Khadi and Village Industries Commission. This is admissible for both Capital expenditure and Working Capital loans, and for both Khadi and Village Industries.

5.10 The Khadi and Village Industries Commission was having a continuous dialogue with the Reserve Bank of India in the matter of reduction of the rate of interest for the Khadi and Village Industries Sector. As a result, during the year 1981-82 Reserve Bank of India notified to all the commercial banks that the borrowing agencies coming under the Khadi and Village Industries sector are to be treated as belonging to Priority Sector and that advances granted them are to be charged at a standard rate of interest at \*\*13.5 per cent from 1st July, 1981. This concessional rate of interest would be applicable only to working capital loans.

5.11 As regards the assistance to new units, Khadi and Village Industries Commission in its Annual Plan for 1984-85 has proposed to set up the following units :—

<i>Sl. No.</i>	<i>Industry</i>	<i>Equipment</i>	<i>1984-85</i>
1	2	3	4
<b>I. KHADI</b>			
(i)	Cotton Khadi	1. Six spindle new model charkha sets of 25 charkhas.	700
		2. Twelve spindle new model Charkha sets of 25 charkhas.	300
		3. Pot Charkhas (Number)	150
		4. Poly Vastra Charkha sets (of 25 Charkhas).	50
(ii)	Woollen Khadi	Improved woollen charkha sets (of 20 charkhas)	90
(iii)	Muslin Khadi	Muslin Charkha sets (of 50 charkhas)	158
<b>II. VILLAGE INDUSTRIES</b>			
(i)	Processing of Cereals & Pulses	Atta Chakki Dhenki	6,740 200

\*\*Since reduced to 12.5 per cent w.e.f. 1.4.1983.

1	2	3	4
(ii)	Ghani Oil	Power Ghani	3,000
(iii)	Beekkeeping	Improved Bee Hives Honey Extractors	55,575 3,860
(iv)	Village Pottery	Shaila Wheels*	4,510
(v)	Fibre	Ban making Machines Batara Charkhas Rope making Machines Raspador Machines	570 290 65 15
(vi)	Gobar Gas	Gas Plants	40,000

\*Estimated

5.12 Regarding the 'Liberalised Pattern of Assistance' being provided to the Scheduled Caste/Scheduled Tribe artisans the representative of the Khadi and Village Industries Commission stated during evidence that this system of assistance has been introduced for Scheduled Castes/Tribes and other weaker sections. Under this scheme the artisans are given assistance for purchasing improved tools and equipments on 75% grant and 25% loan basis. The witness stated that no fixed percentage has been prescribed for the Scheduled Caste/Scheduled Tribe artisans.

5.13 The artisans which are selected by the Khadi and Village Industries Commission under the scheme are given funds on the basis of 75% grant and 25% loan. These artisans are owners of their own trades. The second method of providing assistance to the artisans is through the cooperative societies formed by a few artisans of a village engaged in a particular trade. The pattern of assistance provided to these cooperatives is also the same namely 75% grant and 25% loan. No person is taken from outside so that the village artisans are not treated as labourers. In Khadi and Village Industries institutions outside the Tribal Development Blocks there are no labourers. The Spinners and Weavers are appointed on contract basis. They are supplied with the Charkha and raw material so that they work at least for 8 hours a day.

5.14 'As a matter of policy during 1981-82 the Khadi and Village Industries Commission took the decision to extend its liberalised pattern of assistance, in addition to the areas where they are now operating, to the institutions, which may be located in the areas other than those specified by the Khadi and Village Industries Commission for the purpose of providing employment mainly to persons belonging to Scheduled Castes and Scheduled Tribes.

5.15 Regarding the programmes started by the Commission for the benefit of the individuals, the representative of the Commission informed the Committee during evidence that one of the programmes started by the Khadi & Village Industries Commission for the benefit of Scheduled Castes & Scheduled Tribes is 'Intensive Development Programme.' Under this programme loans are given to the individuals. The rules provide that under the programme Scheduled Caste/Scheduled Tribe persons should be given preference. It has been clearly



mentioned in the rules that more and more Scheduled Caste/Scheduled Tribe persons should be covered under the programme. Another programme for individuals' benefit is the 'Integrated Rural Development Programme.' This programme will be implemented from next year and it is hoped that the targets which have been fixed will be achieved.

5.16 When the Committee enquired how the Integrated Rural Development Programme would be implemented, the representative of the Khadi and Village Industries Commission informed the Committee during evidence that the programmes of Khadi will be implemented by the institutions of the Commission whereas the programmes relating to village industries will be implemented through the State Khadi boards and other institutions. In this connection, the Chairman of the Khadi and Village Industries Commission stated as under :—

“You know our Khadi programme is generally implemented mainly directly through listed institutions. Even from Gandhiji's time so many institutions were registered and they were mostly registered under the Societies Registration Act, 1860. In fact the powers we can exercise under that Act are very very limited. We can at the most say that we will not give any funds to you. But that will to a certain extent be counter productive. That means a lot of amount may have to be given to them so that the Khadi programme is implemented through institutions which have been registered under the Charitable Institutions Act or the Societies Registration Act.

As far as Village Industries are concerned, it is executed through various State Boards. The State Boards implement through their own institutions including charitable institutions—mainly through co-operative institutions. As far as these institutions and other things are concerned, we do not have the coercive power. We can only advise them. That is the position.

This question of enforcing reservation and other things we can only do it through our directly listed institutions. In fact we have been trying to do that also by persuasion.”

5.17 The Committee wanted to know the role of the District Industries Centres regarding implementation of the various programmes. In this connection, the Chairman Khadi and Village Industries Commission stated as under :—

“In fact, we are trying to coordinate our programmes with various block authorities as well as collectors. We get into touch with the collectors. And it is through the machinery, *i.e.*, through the implementation Committee that we implement it. That is how we propose to implement our I.R.D. Programmes. We have 200 blocks which we have already selected. And another 300 blocks will be selected in addition. In these blocks we will try to implement the programmes in coordination with the district authorities. In Bijapur we have got a Committee presided over by the Collector as also the representatives

of the Institutions, khadi Commission and Khadi Boards. We try to help the individuals like that. In Chittal Durg also we have a Committee like that. We are now trying to implement all these programmes through the level machinery."

Annual Report of Khadi and Village Industries Commission for 1981-82 states that the Khadi and Village Industries Commission took a review of the financing of its directly aided khadi-institutions and framed the following revised policy guidelines :

- (i) Funds may be released in respect of the eligibility for additional programme only.
- (ii) All the problematic institutions might be provided 100 per cent of the sanctioned amount by the Khadi and Village Industries Commission directly out of its own funds during 1981-82 as they may not be able to raise loans from the banks.
- (iii) Small institutions whose production or sales—retail sales plus wholesale sales—whichever is more (Cotton, Silk, Woollen, and Muslin Khadi) aggregated to not more than Rs. 10 lakhs, might be provided 100 per cent of the eligibility for additional programme by the Khadi and Village Industries Commission from its own funds, as they would also find it difficult to raise loans from banks.
- (iv) The institutions whose production or sales-retail sales plus wholesale sales—whichever is more (Cotton, Woollen Silk and Muslin Khadi) aggregated to more than Rs. 10 lakhs but less than Rs. 50 lakhs might be provided 80 per cent of the eligibility for the additional programme by the Khadi and Village Industries Commission from its own funds and for the remaining 20 per cent, interest subsidy eligibility certificates might be issued to the institutions to enable them to borrow funds from the banks.
- (v) Institutions whose production or sales—retail sales plus wholesale sales—whichever is more (Cotton, Woollen, Silk and Muslin Khadi) aggregated to more than Rs. 50 lakhs might ordinarily have to obtain 100 per cent of the eligibility for additional programme from the nationalised banks. However, in exceptional cases, if any institution cannot avail of bank finance for one reason or the other, their case would be considered separately.
- (vi) The capital expenditure loan requirement in respect of sheds, godowns and other instruments, except charkhas, might be provided by the Khadi and Village Industries Commission from its own funds.
- (vii) In the case of capital expenditure loan in respect of NMC sets, the institutions might be provided Khadi and Village Industries Commission's funds for 2 out of every 3 NMC sets sanctioned and for one out of 3 such sets sanctioned, the institutions may be asked to avail of funds under I.R.D. programme. In case I.R.D. funds were not made available to institutions their total programme would stand reduced to that extent.

5.18 Loans given by Khadi and Village Industries Commission to societies, institutions and state Boards which were outstanding as on 31.3.1982 amounted to Rs. 308.48 crores. The following Table indicates the position of outstanding loans for Khadi and Village Industries :—

S. No.	Item	Khadi	V.I.	Total (Rs. in crores)
(i)	Working capital	163.87	81.00	244.87
(ii)	Capital Expenditure	21.21	40.86	62.07
(iii)	Share capital	0.25	1.29	1.54
	Total :	185.33	123.15	308.48

5.19 The Committee note that Government of India has accorded an important place to Khadi and Village Industries Programmes in the overall economic development of the country from the viewpoint of employment generation in the rural areas. The activities of the Khadi and Village Industries Commission are carried out through two organisations viz. State Khadi and Village Industries Boards and the Voluntary Organisations to whom the Commission provides financial assistance.

Khadi and Village Industries Commission extends financial assistance in the form of grant under Integrated Development Programme to the societies and institutions mostly working in the Weaker Section Areas engaged in introducing Khadi and Village Industries. The amount of grant is Rs. 40,000 during a continuous period of 7 years on a tapering scale per IDP block to an institution for bearing the initial cost of establishment of certain technical staff till the Khadi and Village industries units become economically viable.

As regards the financial assistance to individual artisans, the Committee are informed that under "Liberalised Pattern of Assistance" individual Artisans are given 75% grant and 25% loan for purchasing improved tools and equipments. Under this scheme there is, however, no fixed percentage for giving financial assistance to Scheduled Caste/ Scheduled Tribe Artisans.

The Committee recommend that some minimum percentage of financial assistance should be reserved for Scheduled Caste/Scheduled Tribe artisans.

5.20 The Committee feel surprised that no monitoring system has been evolved so far by the Khadi and Village Industries Commission to safeguard the interests of Scheduled Caste/Scheduled Tribe artisans. The Committee recommend that the Commission should introduce a monitoring system to look after the interests of Scheduled Caste/Scheduled Tribe artisans both for Khadi and Village Industries.

5.21 The Committee were informed during evidence that "another programme for individual's benefit is the Integrated Rural Development Programme

which will be implemented from next year." The Committee need hardly stress that Integrated Rural Development Programme is not a new programme. The various employment generating programmes which come within the sphere of activity of Khadi and Village Industries Commission should have proper linkages with I.R.D.P. Unless this is done, it will be difficult to monitor whether the same person or group of persons are getting the benefits under more than one scheme.

On the question of reservation for Scheduled Castes and Scheduled Tribes in Village Industries Sector, the Committee were informed during evidence that village industries are being managed through the State Boards which implement the programmes through their own institutions including Cooperative institutions. As far as these institutions are Concerned, Khadi and Village Industries Commission cannot have a coercive power to implement the reservation policy. The Committee feel that as the funds are provided by the Khadi and Village Industries Commission to the State Boards, there is no reason, why they should not assert in getting due share for Scheduled Castes/Scheduled Tribes in various programmes being undertaken by the State Board.

On the role of the District Industries Centres for implementing the Khadi and Village Industries Programmes, the Chairman, Khadi and Village Industries Commission informed the Committee during evidence that "we are trying to coordinate our programmes with various block authorities as well as Collectors. We will try to implement the programme in coordination with the District Authorities." The Committee feel that while it is necessary to coordinate these programmes with the District Authorities, it will be too much to expect that the Collectors can play a predominant role in making these programmes successful. The Committee, therefore, recommend that Khadi and Village Industries Commission should strengthen their own machinery for the implementation of Khadi and Village Industries programmes in the rural areas. The Committee need hardly stress that too much dependence on District Authorities will not bring about the desired results. As the funds are provided by the Commission, to the State Boards and other Institutions they must evolve a proper machinery to oversee the implementation of these programmes.

5.22 The Committee note that as on 31.3.1982 Rs. 308.48 crores were outstanding loans given by the Khadi and Village Industries Commission to societies, institutions and State Boards. Such a huge amount remaining outstanding confirms the Committee's conclusion that Khadi and Village Industries Commission has failed to set up an adequate monitoring system for Khadi and Village Industries. The Committee feel that unless the recovery position is improved and the loans are repaid to the Commission by the concerned institution in time, adequate funds would not be available for recycling. The Committee, therefore, recommend that suitable remedial steps should be taken by the Commission to improve the recovery of loans from the State Boards as well as other institutions concerned.

### C. Development of Khadi

5.23 It has been stated that during 1981-82, the Khadi and Village Industries programmes were implemented by 26 State Boards, 1,039 registered institutions and 29,072 cooperatives. The production of Khadi registered an increase of about 6 per cent quantitatively from 91.01 million metres in 1980-81 to 96.42 million metres during the year. In terms of value, the increase was from Rs. 106.85 crores to Rs. 123.40 crores or by 15 per cent. The content of full time employment was 4.29 lakhs or about 34 per cent of the total. The major contributing States in production were Uttar Pradesh and Tamil Nadu which had a combined quantitative share of about 44 per cent. Under Cotten Khadi, the maximum production of 23.85 million metres valued at Rs. 23.38 crores was from Uttar Pradesh followed by Tamil Nadu with 15.50 million metres valued at Rs. 17.65 crores. Rajasthan continued to account for a major share of 32 per cent of Wollen Khadi production with 2.80 million metres valued at Rs. 8.14 crores. In Silk Khadi West Bengal contributed the largest share of 1.73 million metres (56 per cent) valued at Rs. 6.19 crores. The sales were of the order of Rs. 120.95 crores during the year as against Rs. 110.31 crores in 1980-81. In the total employment opportunities provided under Khadi 10.22 lakhs were under Cotton Khadi, 1.92 lakhs under Wollen Khadi and 0.59 lakh under Silk Khadi. Their total earnings moved up from Rs. 52.61 crores in 1980-81 to Rs. 61.05 crores in 1981-82. The *per capita* earnings registered a rise from Rs. 436 to Rs. 480. The share of Scheduled Castes and Scheduled Tribes in the total employment opportunities provided under Khadi was estimated at 1.27 lakhs or 10 per cent and 0.12 lakh or one per cent respectively.

5.24 As on 31.3.1982 there were 1114 registered institutions engaged in production and sale of Khadi. Out of them 494 institutions were directly financed by the Commission and 620 institutions were under the control of state Khadi Boards. The following information relating to the value of production of Khadi, out put of khadi number of persons employed part-time and full-time, total earnings from Khadi and *per capita* gross value of production during the years 1980-81, 1981-82 and 1982-83 has been furnished to the Committee :

	1980-81	1981-82	1982-83
	----	----	----
(i) Production			
(ii) Qty. (Million Sq. Mtrs)	91.01	96.42	107.91
Value (Rs. crores)	106.85	123.40	143.40
(iii) Employment (lakh persons Full-time	3.95	4.29	4.50
Part-time	8.11	8.44	9.11
	-----	-----	-----
	12.06	12.73	13.61
	(provisional)		

(iv) Total Earnings (Rs. crores)	52.61	61.05	68.36
(v) Per capita net (Disbursement (Rs.))	1480.00	1636.00	1650.33
(vi) Per capita Gross value of produc- tions (Rs.)	886	969	1054

5.25 The per capita earnings (full-time and part-time together) of artisans in Khadi during 1980-81, 1981-82 and 1982-83 is Rs. 436, Rs. 480 and Rs. 502 per annum respectively.

5.26 The Khadi and Village Industries Commission has been using several improved techniques and tools of production in the field of Khadi, and as a result not only the quality and durability of yarn has improved, but also the productivity and earning capacity of workers. Some of the improved techniques and tools in use are as under :

- (i) Ambar Charkhas with 4 spindles incorporating the modern principle of ring frame spinning have replaced traditional hand spinning. The new model charkhas of 6 spindles and 12 spindles have increased the productivity of the spinners upto 16 and 40 hanks per day (working for 8 hours). Use of electricity, in the pre-spinning processes has improved the quality of silvers. The ring frame spinning technique has also been introduced for production of fine yarn of 100 and above as also for spinning wollen yarn. Besides, the pot charkhas have been developed for spinning coarse yarn. All these types of charkhas have higher productivity as compared to the old charkhas.
- (ii) Khadi and Village Industries Commission has developed improved loom for weaving and has introduced certain accessories for improving the texture of woven cloth. Pedal-operated semi-automatic looms have been developed, which have a productive capacity of 12 to 15 metres per day. Besides, improved techniques such as hank sizing and long warps, are being used.

5.27 During evidence the Committee pointed out that in the name of Khadi, spurious Khadi was being sold in the market which affected the sale of khadi. They wanted to know about the action taken by the Khadi and Village Industries Commission against those persons who were selling spurious khadi. The representative of the Khadi and Village Industries Commission stated that some attempt were made in the past to stop the sale of spurious khadi in the market but so far these attempts have not assumed any positive or practical shape. The witness admitted that if the spurious khadi is removed from the market, the sale of khadi will be promoted further.

5.28 The representative of the Commission stated that the Khadi and Village Industries Commission recognises only that Khadi which is produced

by the institutions certified by the Commission. He stated that 'Khadi' has been defined in the Khadi and Village Industries Commission Act 1956. The witness explained the word 'Khadi' as under :

"The only difference is Khadi produced by certified institutions and other institutions are different. Any cloth which is hand-spun or hand-woven, either cotton, woolen or silk is khadi. Otherwise there is a provision that khadi produced by certified institutions should be specified, for some purposes. Again so far as the Khadi and Village Industries Commission is concerned, it defines Khadi as hand spun or hand-woven cloth."

5.29 In reply to a question whether there was any proposal to amend the Khadi and Village Industries Commission Act to ensure the genuineness of the production of Khadi, the representative of the Ministry of Industries (Deptt. of Industrial Development) stated as under :

"This is the first time that I have come to know about this problem. My first reaction is that the trade mark, in terms of khadi as such, I am not certain whether you can take a particular trade mark for such a wide product, Because it is a product, unless the trade mark of the particular product is mentioned differently, it may not be proper to use it as a trade mark."

5.30 The Committee are surprised to note that Khadi and Village Industries Commission could not take any effective steps to stop the sale of 'spurious Khadi'. The casualness with which this problem was dealt with is reflected in the reply given during evidence, by the representative of Khadi and Village Industries Commission that some attempts were made in the past to stop the sale of spurious khadi in the market. But so far these attempts have not assumed any positive or practical shape.

The representative of the Commission admitted that if spurious khadi was removed from the market, the sale of khadi produced by their institutions would go up. The Committee need hardly emphasise that the purity of Khadi is essential and must be maintained to enlist the faith of the customers and wearers of khadi. As such, Government might consider if it is feasible to issue a trade Mark 'Khadi' for the cloth produced by institutions controlled and aided by Khadi and Village Industries Commission.

The Committee further recommend that Khadi and Village Industries Commission Act may be amended, if necessary, for the purpose of stopping the sale of spurious Khadi which has not been produced from hand spun yarn.

#### D. Development of Village Industries

5.31 The Committee have been informed in a note from the Ministry of Industry that the total number of Co-operative Societies engaged in Village Industries excluding Khadi is 11,316, out of which 11,063 societies are financed

by the State Khadi and Village Industries Boards and 253 societies are financed by the Commission. There are few cooperative societies with membership of Scheduled caste/Scheduled Tribe only functioning in the Khadi and Village Industries sector.

5.32 Some of the Khadi and Village Industries activities like Village Leather, Cane & Bamboo, Fibre, Collection of NBO Seeds, Forest Based Industries, Beekeeping, Tussar Silk Khadi etc. directly benefit Scheduled Casts/Scheduled Tribes in large measure. During 1981-82 the share of Scheduled Caste and Scheduled Tribe in the total Khadi and Village Industries employment was 27 percent as against their share of 22½ per cent in India's population. It is proposed to raise this percentage to 36 per cent by 1984-85.

5.33 The following statement indicates the total number of registered institutions and co-operative engaged in the Khadi and Village Industries sector, total grants given to them, the total value of production, total earnings and the percentage share in employment of Scheduled Castes and Scheduled Tribes during 1981-82 :—





1	2	3	4	5	6	7	8	9	10
17.	Gums & Resins	38 (units)		*	0.05	3.00	1.43	0.96	100
18.	Manufacture of Katha	42 (units)		0.01	0.18	1.32	0.09	0.56	100
19.	Fruit Processing and Preservation	36	44	*	0.20	1.13	0.03	0.15	100
20.	Bamboo and Cane	283	581	0.07	0.37	5.93	0.43	2.51	48
21.	Aluminium Utensils	7 (units)		—	0.04	0.34	*	0.03	—
22.	Poly Vastra	Inf. not readily available.		—	0.90	0.84	0.02	0.27	—
Total II (A)				5.78	29.18	542.37	19.69	129.16	12
Other Schemes II (B)				1.16	0.33	—	—	—	—
Total I + II				30.04	50.52	665.77	32.42	190.21	11
									15

\* : Less than 500

E : Estimated

b : Only Soap.

5.34 According to the Annual Report, 1981-82 of the Khadi and Village Industries Commission, the production of Village Industries products registered a rise of about 20 per cent to Rs. 542.37 crores from Rs. 451.24 crores in 1980-81. Among the Village Industries which had a sizeable share in the overall production, mention can be made of Ghani oil (Rs. 112.87 crores), Gur and Khandsari (Rs. 82.59 crores), Village Leather (Rs. 65.41 crores), Carpentry and Blacksmithy (Rs. 56.90 crores), Processing of Cereals & Pulses Industry (Rs. 36.41 crores) and Village Pottery (Rs. 33.53 crores). These Industries had a combined share of 72 per cent of the total Village Industries production. In quantitative production too there was an increasing trend in the case of Ghani oil, Gur and Khandsari, Hand Made Paper and Beekeeping. More than fifty per cent of the village Industries production was shared by Uttar Pradesh, Tamil Nadu, Maharashtra and Gujarat.

5.35 The Annual Report, 1981-82 states that the sales of Village Industries also kept pace with production and were of the order of Rs. 573.30 crores as against Rs. 476.47 crores in the previous year. The employment opportunities provided under Village Industries programme reached the level of 19.69 lakh persons of which more than 35 per cent were full time workers. Their total earnings amounted to Rs. 129.16 crores. The per capita earnings showed a rise of 17 per cent to Rs. 656 from Rs. 560 in 1980-81 while the per capita productivity increased by 10 per cent to Rs. 2,754 from Rs. 2,493. The share of Scheduled Castes and Scheduled Tribes in the total employment under Village Industries was estimated at 2.45 lakhs and 4.69 lakhs respectively.

5.36 The Committee were informed that the per capita earnings (full-time and part-time together) of artisans in Village Industries during 1980-81, 1981-82 and 1982-83 is Rs. 560, Rs. 656 and Rs. 730 per annum, respectively.

5.37 Most of the employment is part-time. For example in 1981-82, 65% workers in Village Industries were part-time.

5.38 Largely, the development of village industry depends upon the availability of raw material for processing, existence of traditional skills, local demand and suitable infrastructure in the form of organisation. The Commission is seized of the situation that at the moment per capita earnings of the artisans are not very satisfactory. To ensure better earnings the Commission is bringing in new tools and technology to have better production and thereby better earnings.

5.39 According to the data furnished to the Committee, in Khadi Sector the percentage share of Scheduled Castes and Scheduled Tribes in employment is 10% and 1% respectively. The Committee find that taking into account the total employment generated by Khadi and Village Industries the percentage share of Scheduled Castes and Scheduled Tribes comes to 11 & 15 respectively. In view of the fact that Scheduled Castes comprise 15% (which is double the population of Scheduled Tribes who constitute 7½% of the population), their share in the total employment generated in Khadi and Village Industries Sector is very low. The Committee, therefore, recommend that Khadi and Village Industries Commi-

ssion should make concerted efforts to provide employment to Scheduled Castes in industries like Ghani oil, Cottage Match, Aluminium utensils and Polyvastra with a view to increase their share in the total employment generated in Khadi and Village Industries Sectors.

### E. Training Programmes

5.40 A statement showing the number of training centres started for giving training for the programmes coming under Khadi (Cotton), Woollen (Khadi), Silk (Khadi), Polyvastra, Integrated Development Programme, Marketing and management Courses and their locations in various parts of the country is given below :—

1. Arunachal Pradesh	1 Centre
2. Nagaland	1 Centre
3. Assam	1 Centre
4. West Bengal	3 Centres
5. Orissa	2 Centres
6. Bihar	3 Centres
7. Uttar Pradesh	9 Centres
8. Madhya Pradesh	4 Centres
9. Rajasthan	3 Centres
10. Haryana	2 Centres
11. Maharashtra	6 Centres
12. Karnataka	3 Centres
13. Tamilnadu	4 Centres
14. Kerala	5 Centres
15. Delhi	2 Centres
16. Andhra Pradesh	1 Centre

5.41 The duration of the various Training Courses under the purview of Training Directorates is given in the following table :—

<i>Training Course</i>	<i>Duration</i>
1	2
<b>I. Khadi (Cotton)</b>	
1. Khadi Karyakarta	10 months
2. Sahayak Khadi Karyakarta	6 months
3. Katai Karyakarta	6 months
4. Bunai Karyakarta	6 months
5. Muslin Khadi Karyakarta	10 months
6. New Weavers Course	12 months
7. Design Weaving	6 months
<i>Short Term Courses</i>	
1. 6 Spindle New Model Charkha Refresher Course	2 months
2. Weaving Supervisor	2 months

1	2
3. Weaving (Weaving) Artisan	2½ months
4. Scutcher and Garding	2 months
5. Muslin Refresher Course (Weaving)	4 months
6. Muslin Refresher Course (Spinning)	2 months
7. 12 Spindle NMC Refresher Course	2 months
<b>II. Khadi (Woollen)</b>	
1. Woollen Karyakarta	10 months
2. Woollen Karyakarta (Spinning) condensed Course	2 months
3. Woollen Karyakarta (Weaving) Condensed Course	2 months
4. Wool Knitting Hosiery Course	15 months
5. New Weavers Course	12 months
<b>III. Khadi (Silk)</b>	
Silk Spinning & Weaving Course	12 months
<b>IV. Polyvastra</b>	
Polyvastra Spinning Course	6 months
<b>V. Dyeing Bleaching &amp; Printing</b>	
1. Course in Textile Chemistry Short Term Course/s	14 months
1. Dyeing—Bleaching	3 months
<b>VI Mistry</b>	
1. Mistry Karyakarta Course	10 months
<b>VII. Integrated Development Programme</b>	
1. Area Organisers Course	8 months
2. Refresher Course	2 months
<b>VIII. Marketing</b>	
1. Marketing Assistant Course	
(i) Long Term Course	6 months
(ii) Refresher Course	1½ month
<b>IX. Village Industries</b>	
1. V.I. Karyakarta	13 months
<b>X. Management Course/s</b>	
1. Integrated Management	2 months
2. Production Management	2 months
3. Marketing Management	1 month
4. Financial Management	2 months

1	2
5. Marketing Assistants	6 months
6. Marketing Assistant's Refresher Course	1½ months
7. Orientation course in accounts audit supervision and inspection	1 month
8. Teacher's Training Course	3 months

5.42 The number of persons trained in various kinds of training programmes in Khadi sector during 1980-81, 1981-82 and 1982-83 is as under :—

Trades	1980-81	1981-82	1982-83
1. Cotton Khadi	508	575	740
2. Woollen Khadi	86	77	71
3. Silk Khadi	10	9	—
4. V.I. Karyakarta	20	62	20
5. Marketing Assistant Regular & Refresher Training	40	55	50
6. Dyeing, Bleaching and Printing	15	11	15
7. Mistry Karyakarta	15	21	19
8. N.M.C. Refresher Course	102	104	60
9. Muslin Spinning Refresher Course	28	26	23
10. Area Organiser	23	17	14
11. Organiser training course for K.G.N.M. Trust	10	—	—
12. Training in Pashmina Wool	11	—	—
13. Management Training Composite and production management.	10	58	2
14. Trysem	—	51	49
15. Special Training Programme	—	1	88
16. Poly Vastra Training	—	—	13
17. Artisan Training in Village Industries	—	—	137
	878	1067	1301

5.43 The following table indicates the number of persons trained in the Village Industries Sector during 1978-79, 1979-80 and 1980-81 :—

S. No.	Industry	1978-79	1979-80	1980-81
1.	Processing of Cereals Pulses	89	91	80
2.	Ghani Oil	453	708	193
3.	Village Leather	95	120	64
4.	Cottage Match	50	475	302
5.	Manufacture of canegur and Khandsari	140	197	87
6.	Palmgur making and other palm products	3976	1310	1088
7.	Non-edible oils and soaps	103	102	72
8.	Handmade paper	51	64	74
9.	Beekeeping	132	367	34
10.	Village Pottery	157	170	34
11.	Fibre	120	160	367
12.	Lime Manufacturing	104	125	200
13.	Gobar (Methane) gas	322	170	69
14.	Carpentry & Blacksmithy	—	—	—
15.	Collection of forest plants & fruits for medicinal purposes	—	—	—
16.	Shellac	—	—	—
17.	Manufacture of gums & resins	—	—	—
18.	Manufacture of Katha	—	—	—
19.	Fruit & Vegetable Processing & preservation	—	2	2
20.	Bamboo & Cane work	—	—	—
21.	Manufacture of household aluminium utensils	—	—	—
<b>Total :</b>		<b>5792</b>	<b>4061</b>	<b>2790</b>

5.44 The Committee have been informed in a note that there is not reservation of seats for Scheduled Castes/Scheduled Tribes in the various training courses started by the KVIC. It has been stated that no special facilities are provided to the Scheduled Caste/Scheduled Tribe trainees during the period of training. The Scheduled Caste/Scheduled Tribe trainees as well as general candidates enjoy the same facilities.

5.45 The following information in respect of Scheduled Castes/Scheduled Tribes who were given training in Khadi sector during 1980-81 and 1981-82 1982-83 has been furnished to the Committee :—

Year	S.C.	S.T.
1980-81	48	33
1981-82	116	32
1982-83	48	33
Total : 212		98

5.46 It has been stated that in the case of Village Industries, the figures regarding Scheduled Castes/Scheduled Tribes who were trained, are not available. However, such training programmes are by and large intended for persons below the poverty line. During 1980-81, 7567 beneficiaries, in 1981-82, 17325 beneficiaries and in 1982-83, 25000 beneficiaries (estimated) were trained.

5.47 When asked whether there was any proposal in the KVIC that persons belonging to Scheduled Caste/Scheduled Tribe community should be selected and given training in setting up Village Industries, the Chairman of the Commission stated as under :—

“As far as our programmes are concerned—the Khadi and Village Industries Programmes are concerned—the assistance to the Scheduled Caste and Scheduled Tribe is inbuilt in our programmes itself. We have given employment to about 40 million and odd people by the end of 6th plan. It comes to 27% in so far as Scheduled Castes and Scheduled Tribes are concerned. This is more or less in accordance with the proportion of the population of the country, there is no difficulty in that. Our programme is to give employment to Scheduled Caste/Scheduled Tribe that is inherently built into it. We are now trying to have special schemes, under the All-India Poverty Programmes, for the Scheduled Castes/Scheduled Tribes. Some of our industries, you would be pleased to know, are managed by the Scheduled Castes and Scheduled Tribes. Take for instance the leather industry. 100% of the artisans there are the Scheduled Caste/Scheduled Tribe. In the seed collection programme—non-edible seeds programmes, 100% of the people are manned by the Scheduled Caste/Scheduled Tribe, with regard to Bamboo also the position is the same.”

5.48 When the Committee enquired why in the field of Khadi and Village Industries trained persons from Scheduled Caste/Scheduled Tribe Community were not available, the Chairman, KVIC stated as under :—

“We will make a deliberate attempt to train people belong to the Scheduled Caste and Scheduled Tribe community so that they may be involved in this programme. In the supervisory programme also we will take deliberate action.”



5.49 The Committee note that Khadi and Village Industries Commission have arranged several training programmes both in Khadi and Village Industries sectors. The Committee feel unhappy that in these training programmes there is no reservation of seats for Scheduled Castes and Scheduled Tribes. The Committee also feel surprised that the Scheduled Caste and Scheduled Tribe persons who are taken in these training courses are not provided any special facilities. The Committee note that during the years 1980-81, 1981-82 and 1982-83 3246 persons were given training in Khadi sector out of which only 212 were Scheduled Castes and 98 Scheduled Tribes. Asked about number of Scheduled Castes and Scheduled Tribes who received training in the Village Industries Sector, the Committee was informed that no separate data for Scheduled Castes and Scheduled Tribes was available. The Chairman of the Commission had stated during evidence that they had given employment to about 40 million people by the end of the Sixth Five Year Plan and 27 per cent of the total employment generated had gone to Scheduled Caste and Scheduled Tribes. From the data made available to the Committee regarding training given to Scheduled Castes and Scheduled Tribes in Khadi Sector, the Committee do not agree with the views of the Chairman of the Khadi and Village Industries Commission that 27% of the employment opportunities have gone to Scheduled Castes and Scheduled Tribes.

The Committee recommend that certain percentage of seats should be reserved for Scheduled Caste/Scheduled Tribe persons in various training courses both in Khadi and Village Industries sectors. Correct data relating to the number of Scheduled Caste/Scheduled Tribe persons in these sectors should be maintained by the Commission. The Scheduled Caste/Scheduled Tribe persons who are selected for training should receive special attention with a view to improve their technical skills and remove deficiencies, if any.

5.50 The Committee would like to be informed about the steps taken by the Commission to streamline the procedure for selection of trainees in Khadi and Village Industries Sectors and for reserving a fixed quota for these communities.

#### F. Programmes in Hill, Border and Weaker Section Areas

5.51 The main aim of the Khadi and Village Industries Commission's departmental programme in the Hill, Border, Tribal and Weaker Section Areas is to improve the socio-economic conditions of the people living in these areas by creating employment opportunities and improving their levels of skills and earning by improving their quality of products. Wherever, necessary training is imparted in the various techniques and usage of the improved tools and equipments.

5.52 The Report on Village and Cottage Industries of March, 1981 given by National Committee on the Development of Backward Areas states "that Khadi and Village Industries Commission schemes for weaker sections are implemented through its departmental programmes, recognised agencies like Tribal Development Corporations. Institutions and co-operatives on its direct list and through State Khadi and Village Industries Boards and Institutions

aided by them. Khadi and Village Industries also extends the benefit of liberalised pattern of assistance to the selected hill, border areas, tribal blocks Scheduled Castes and tribes population, nomadic tribes, denotified tribes, refugees from East Bengal and to leprosy patients etc. In many of these areas, the activities of Khadi and Village Industries Commission were initiated through the operation of stores. The network of these stores made available the goods of Khadi and Village Industries Commission at various consumer points. This was followed by the provision of improved tools and equipment along with training programmes, by service activities such as procurement of raw materials, repairs of tools & equipments, collection of finished goods and supplying them to various consumer points, and by a production programme for certain selected areas. Khadi and Village Industries Commission undertook the supply of raw wool to remote areas and thus helped in reviving spinning and weaving activities in the border areas which had declined on account of the stoppage of raw wool from Tibet. Compared to other areas the patterns of Khadi and Village Industries Commission assistance have been more liberal in backward areas".

5.53 In reply to a question regarding activities of the Khadi and Village Industries Commission in the Tribal areas, the Committee have been informed that the departmental production and sale activities are being conducted in the tribal areas of Bastar in M.P., at Kohima, and Mokehung in Nagaland, Agartala in Tripura at 3 places in Sunderbrns and Silvassa in Dadra and Nagar Haveli.

5.54 Asked whether the Commission has been successful in ameliorating the economic conditions of Scheduled Tribes by improving their skills in their traditional crafts and providing them employment opportunities, the Committee have been informed that so far no survey or assessment has been made in this regard. The Commission, has, however, done yeoman service to the Scheduled Tribes by providing them better wages for collection of seeds and other forest production and further in improving their skills in Bambo and cane craft, weaving fibre industry, bee-keeping etc.

5.55 As regards marketing of KVIC products, it has been stated that marketing has never been a problem because of the local demand. The goods produced by the people living in these areas are based on local needs and as such, in some cases demand is more than what they produce. In some cases, particularly in the case of yarn, the KVIC's production units have been regularly purchasing yarn and supplying cotton to them after registering their names on permanent basis.

5.56 In reply to a further question, the Committee have been informed that there is no problem of exploitation by middlemen in marketing their products as all such individual artisans, once financed by the KVIC, have been dealing with the institutions, State Boards and the Regional Offices of the KVIC and not with the middlemen.

5.57 The Committee feel surprised that no survey or assessment has been made by Khadi and Village Industries Commission regarding economic conditions of Scheduled Tribes and the extent to which improvement has been made in their skills in crafts as also in getting employment opportunities in tribal areas.

The Committee recommend that Khadi and Village Industries commission should carry out a survey in the Hill & Tribal Areas of the country to assess the impact of their programmes on the socio-economic conditions of the Tribal people. The committee strongly feel that in the absence of such a survey Khadi and Village Industries Commission cannot devise suitable programmes for implementation during the Seventh Plan period.

NEW DELHI ;

August 13, 1984  
Shravana 22, 1905 (S).

A.C. DAS,  
Chairman,  
Committee on the Welfare of  
Scheduled Castes and Scheduled Tribes.

## APPENDIX I

(Vide Para 1.10)

1. **Beekeeping.**
2. **Cottage Match, Manufacture of Fire works and Agarbattis.**
3. **Cottage Pottery Industry.**
4. **Cottage Soap Industry.**
5. **Flaying, curing and tanning of hides and skins and ancillary industries connected with the same and cottage leather industry.**
6. **Ghani Oil Industry.**
7. **Handmade paper.**
8. **Manufacture of Canegur and Khandsari.**
9. **Palmgur making and other palm products industry.**
10. **Processing, packaging and marketing of cereals, pulses, spices, condiments, masalas etc.**
11. **Manufacture and use of manure and methane gas from cowdung and other waste products (such as flesh of dead animals, night soil etc.)**
12. **Lime stone, lime shell and other lime products.**
13. **Manufacture of shellac.**
14. **Collection of Forest plants and fruits for medicinal purposes.**
15. **Fruit and Vegetable processing, preservation and canning including pickles.**
16. **Bamboo and Cane work.**
17. **Blacksmithy.**
18. **Carpentry.**
19. **Fibre other than coir.**
20. **Manufacture of household utensils in aluminium.**
21. **Manufacture of Katha.**
22. **Manufacture of gums and resins.**
23. **Manufacture of Lokvastra.**
24. **Manufacture of Polyvastra.**
25. **Processing of maize and ragi.**

## APPENDIX II

(Vide para 2.15 of Report)

### KHADI AND VILLAGE INDUSTRIES COMMISSION

Irla Road, Vile Parle (West), Bombay-56

No. Adm-II/SCST/83

22nd Sept. 1983

OFFICE ORDER No. 1299

**SUBJECT :** *Setting up of SC/ST Cell—appointment of Liaison Officer—regarding.*

In modification of circular No. Adm-II/SC/ST/2 dated the 31st August 1982, Shri J. L. Meena, Director (Fibre) is, hereby, nominated as 'Liaison Officer for work relating to representation of Scheduled Castes and Scheduled Tribes' under the Commission. The functions of Shri Meena in this respect will be the same as that are specified in Chapter 15 of the Brochure on reservation of Scheduled Castes and Scheduled Tribes in Service. For further details of the functions of the Liaison Officer, copies of Government orders appearing under the aforesaid chapter 15 in the Brochure may be referred to.

2. It has also been decided to set up a SC/ST Cell in the Commission. The Cell will be responsible for ensuring enforcement of Govt. orders on reservation in services and posts under the Commission. The cell will work under the charge and control of the Liaison Officer.

3. Shri J. L. Meena will attend to these duties and functions in addition to those which are being presently attended to by him as Director (Fibre).

4. These orders shall come into force with immediate effect.

Sd/-  
Chief Executive Officer

1. All heads of Deptt/offices under the Commission in Outside Bombay.
2. All sections in the Central Office.
3. Shri S. B. Goel, Dy. Secretary, Deptt. of Industrial Development, Udyog Bavan, New Delhi.
4. Shri B. V. L. Prasad Rao, Under Secretary, Deptt. of Industrial Development, Udyog Bhavan, Ministry of Industry, New Delhi.
5. Shri D. C. Pande, Chief Legislative Committee Officer, Lok Sabha Secretariat (SCST. CELL) Parliament House Annexe, New Delhi.

### APPENDIX-III

(Vide Para 4 of Introduction)

#### Summary of Conclusions/Recommendations contained in the Report

Sl. No.	Reference to para No. in the Report	Summary of Conclusions/ Recommendations
1	2	3
1.	1.19	<p>Section 4 of the Khadi and Village Industries Commission Act provides that the Commission shall consist of not less than three and not more than five members appointed by the Central Government, one of them being nominated by the Central Government, to be the Chairman thereof, and the members may be either whole time or part-time as the Central Government may direct.</p> <p>The present Commission consists of 3 Members only even though the membership can go upto five.</p> <p>The Committee note that as many as 25 [Khadi and Village industries have been entrusted to the Khadi and Village Industries Commission (<i>vide</i> Appendix I) for implementing various developmental programmes.</p> <p>The Committee feel that the volume of work of the Commission has increased enormously. Accordingly, the membership of the Commission also needs to be strengthened. The Committee, therefore, recommend that the membership of the Khadi and Village Industries Commission should be increased from three to five.</p> <p>The Committee are surprised to note that none of the members of the present Khadi and Village Industries Commission belongs to Scheduled Caste/Scheduled Tribe Community. The Committee need hardly stress that the economic development of Scheduled Castes and Scheduled Tribes is a common objective both of State Governments</p>

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as well as of the Central Government. With this end in view, as also to safeguard their interests in the Commission, the Committee recommend that at least one member from Scheduled Caste/Scheduled Tribe community should invariably be included as a member of the Khadi and Village Industries Commission.

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2.5

The Committee note that under section 16 of the Khadi and Village Industries Commission Act, 1956 the Commission is bound to follow the directions issued by the Central Government from time to time. The Committee were informed during evidence that Government had no authority to issue directions to the Khadi and Village Industries Commission regarding implementation of reservation orders. They were empowered to issue directions to the Commission in relation to its programmes only.

The Committee cannot but express their surprise and displeasure on the above information. Khadi and Village Industries Commission Act came into force in 1956. It is rather strange that officers concerned in the Ministry of industry were not aware of the loopholes in the aforesaid Act in so far as the implementation of reserved orders is concerned. Any lacuna in this regard should have been plugged long back by bringing forward an amendment to the Act. The Committee find it difficult to accept the plea that a presidential directive which is issued in the case of Public Undertakings is not contemplated in the case of a Statutory Corporation. The Committee suggest that Ministry of Industry should obtain the opinion of the Ministry of Law as to whether a Presidential directive can be issued to a Statutory Corporation for implementing the reservation policy of the Government. The Committee recommend that in case it is not feasible to issue a Presidential Directive to Khadi and Village Industries Commission for implementing the reservation orders then Government should immediately amend the Khadi and Village Industries Commission Act, 1956 and make a specific provision therein for implementing the orders relating to reservations for Scheduled Castes and Scheduled Tribes in services.

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- 3            2.12    The Committee that note at present the Ministry of Industry is monitoring the implementation of reservation orders relating to the posts carrying a pay scale of more than Rs. 1200 per month only in the Khadi and Village Industries Commission. The Committee were informed during evidence that the Ministry had no arrangements for monitoring the implementation of reservation orders in Khadi and Village Industries Commission for the posts below Rs. 1200/-.

The Committee are not satisfied with the present monitoring system of the Ministry of Industry and they recommend that all posts in Groups, A, B, C and D should be covered by the monitoring system of the Ministry of Industry. The Committee need hardly stress that the Scheduled Castes and Scheduled Tribes normally enter service in the lower posts where there is presently no monitoring arrangement. The Committee feel that even though the primary responsibility of implementing the reservation policy lies on the Khadi and Village Industries Commission yet the Ministry of Industry cannot absolve itself of the responsibility of seeing that the posts reserved for Scheduled Castes and Scheduled Tribes at the lower levels are actually filled by candidates belonging to these communities.

- 4            2.18    The Committee note that Khadi and Village Industries Commission introduced reservation for Scheduled Caste and Scheduled Tribe in services on 6.10.1964. However, the commission set up a cell for looking after the interests of Scheduled Caste and Scheduled Tribe only on 22.9.1983. A liaison officer was also appointed by the Commission in September, 1983.

The Committee feel surprised that the Commission took about 20 years to set up a cell and to appoint a Liaison Officer to watch the implementation of the reservation orders. This only shows that all along the Commission had shown scant respect to the reservation policy. Only when this Committee decided to examine the Commission and a questionnaire was sent to them on 22.6.1983 they decided to set up a Cell and appointed a Liaison Officer as a face saving device.

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The Committee would like to be apprised as to why Government instructions in regard to the appointment of a Liaison Officer and for setting up a Cell had been grossly violated by the Commission.

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3.8

The Committee note that in Khadi and Village Industries Commission the vacancies are filled up in 3 ways i.e. by direct recruitment, by promotion and by the method of selection. Except for the post of superintendent, the vacancies are filled up 50% by promotion, 25% by selection and 25% by direct recruitment. In the case of Superintendents, 50% posts are filled by promotion and 50% by selection. The Committee feel that the main reason for the poor representation of Scheduled Castes/Scheduled Tribes in this organisation is the faulty method of recruitment. The Committee need hardly stress that if direct recruitment quota is higher particularly in Group 'C' posts then the intake of Scheduled Castes and Scheduled Tribes can certainly be much more than it is at present. The Committee therefore recommend that the whole recruitment procedure in Khadi and Village Industries Commission should be reviewed and the direct recruitment quota particularly in Group C and D post should be increased so that more and more Scheduled Castes and Scheduled Tribes can be recruited in the services of KVIC.

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The Committee note that some concessions/relaxations are given to Scheduled Caste/Scheduled Tribe candidates at the time of recruitment in Khadi and Village Industries Commission. The Committee however feel surprised that these relaxations in age, experience and educational qualifications etc. are not specified in the advertisement issued in the newspapers. The Committee need hardly stress that these concession/relaxations have no meaning unless these are brought to the notice of the Scheduled Caste/Scheduled Tribe applicants by precisely mentioning them in the advertisements which are issued in the various newspapers.

The Committee therefore, stress that while issuing circulars/advertisements in newspapers for filling up the

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vacancies or while sending requisitions to the employment exchanges, the concession/relaxations available to Scheduled Caste/Scheduled Tribe candidates should be specifically mentioned.

The Committee also find that Khadi and Village Industries Commission is an All-India organisation and they are operating in various parts of the country. The Committee therefore recommend that Khadi and Village Industries Commission should bring out a small brochure mentioning therein the detailed procedure followed for making recruitment to various categories of posts both in the Central office and in the States. In that brochure, the relaxations/concessions/available to Scheduled Castes/Scheduled Tribes both in direct recruitment and promotion should be precisely mentioned. Copies of these brochures should be available to the public through Commission's offices in various States.

The Committee have no doubt that these brochures will help in achieving uniformity in the recruitment of staff for the Commission in various States.

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3.24

The Committee are concerned to note that Khadi and Village Industries Commission is not following Government instructions in regard to the implementation of reservation orders in promotions. The data furnished to the Committee regarding promotions made during the years 1980-82 is not only confusing but utterly unreliable. The statement indicates that there was no promotion in Group A in 1980 but in 1981 there were 23 promotions in Group A. Again in 1983 there was only one promotion of a person belonging to Scheduled Caste category.

The representative of the Commission admitted during evidence that as far as Group C is concerned the picture is not clear not only with regard to Scheduled Caste and Scheduled Tribes reservation roster but even with respect to the entire filling in of the vacancies. The Committee cannot but express their displeasure at the unsatisfactory state of affairs in the Khadi and Village Industries Commission in so far as promotions to various

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categories of posts is concerned. The Committee cannot accept the plea taken by the representative of the Commission that since there is shortage of officers in feeder cadres adequate number of Scheduled Castes and Scheduled Tribes could not be promoted during the years 1980-82.

The Committee can draw only one conclusion that the Central office of the KVIC at Bombay is not exercising proper control on their State Offices and there is no proper feedback to the Central Office from the States Offices in regard to the promotions made particularly in Group 'C'.

The Committee therefore recommend that the whole promotion policy for the Central Office of the Khadi and Village Industries Commission as well as for their State Units should be reviewed and clear-cut guidelines should be laid down in regard to the promotions to be made in various categories of posts. The Committee would like that a new and correct statement indicating the promotions made in group A, B and C during the years 1980-83 should be furnished to the Committee for their information.

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3.25

The Committee are concerned to note that the orders of the Government that 25% of the vacancies accruing in the grade of Peons will be reserved for being filled by transfer of sweepers, farrashes, chowkidars etc who have put in a minimum of 5 years service even though they may not be possessing minimum educational qualifications prescribed for direct recruitment to the posts are not being followed by the Commission. The committee would like to be apprised if these instructions have now been implemented by the Commission so that eligible Scheduled Castes/Scheduled Tribes persons who are working as sweepers are absorbed against the post of peons so that they get elevated in their social status.

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3.36

The Committee note that there is a Services Selection Board in the Khadi and Village Industries Commission. Besides, there are Departmental Selection Committees for selecting candidates for lower posts. It was stated during evidence that with the re-constitution of the Commission

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the Services Selection Board is also reconstituted. The present Board was constituted in January, 1984. At present there are 4 members on this Board but none of them belong to Scheduled Caste/Scheduled Tribe community. However, the Committee were informed during evidence that the Commission has decided to have one Scheduled Caste representative as the fifth member of the Board. The person whose name is being considered for appointment on the Board is at present Secretary, Railway Service Commission, Bombay and the Commission has already sought the concurrence of the Ministry of Railways (Railway Board) in this regard. The Committee were further informed that the formal appointment orders will be issued only after his name is cleared by the Ministry of Railways. The Committee are surprised to note that in the past no Scheduled Caste/Scheduled Tribe member had been appointed on the services Selection Board of Khadi and Village Industries Commission. The Committee firmly believe that the name of the Secretary, Railway Service Commission, Bombay was considered for inclusion in the Services Selection Board only after the Committee took up the subject for examination. The Committee recommend that a Scheduled Caste or Scheduled Tribe officer should invariably be included in the Services Selection Board and in Staff Selection Committees of the Khadi and Village Industries Commission so as to instil confidence in the Scheduled Caste/Scheduled Tribe candidates and employees. The Committee would like that Khadi and Village Industries Commission should issue necessary instructions in this regard.

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3.44

The Committee note that reservation orders were made applicable in the Khadi and Village Industries Commission from 6th October, 1964 but the maintenance of rosters for each category of post separately was started in 1978. Thus Khadi and Village Industries Commission started maintaining rosters 14 years after the date of the implementation of reservation orders. No satisfactory explanation has been furnished to the Committee for this inordinate delay in the maintenance of rosters.

The Committee further note that Director (Administration), who was also the Liaison Officer was required to

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maintain the rosters and hence the question of inspection of rosters by the same person did not arise. Subsequently, an officer other than the Director (Administration) was appointed as Liaison Officer w.e.f. 22nd September, 1983 who would now be inspecting the rosters periodically and submit regular reports for taking corrective action. In so far as State offices are concerned the Committee note that the practice so far has been to inspect the rosters as and when the general inspection of these offices is undertaken. However, there has been no fixed periodicity for making general inspection of the State Offices.

From all accounts available, both written and verbal, the Committee are led to believe that proper attention has not been given towards maintenance of rosters and their periodical checking by the Liaison Officer with the result that the whole system has been working in a haphazard manner.

The Committee need hardly stress that the rosters are the kingpins on which the whole system of implementation of reservation orders rests. As such, the Committee recommend that the rosters should be properly maintained and checked in the Head Office, Regional Offices and State Offices of Khadi and Village Industries Commission by the Liaison Officer at least once a year and signed in Token of such inspection. The Liaison Officer should submit regular inspection Reports to the Head Office of Khadi and Village Industries Commission so that the mistakes noticed in the rosters are rectified promptly.

11. 3.45 The Committee also feel that one Liaison Officer appointed in September, 1983 may not be able to cope with the work of checking the rosters both in the Head Office and in Regional/State Offices of Khadi and Village Industries Commission.

The Commission should, therefore, consider if there is need to appoint separate Liaison officer in each Regional office.

12. 3.49 The Committee are concerned to note that a large number of reserved vacancies in Groups A, B, C and D were

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dereserved by Khadi and Village Industries Commission during the years 1980, 1981 and 1982. The Committee feel surprised that the Commission could not fill the reserved vacancies even in Groups C and D for which the candidates are not expected to possess high technical qualifications.

The Committee recommend that as far as possible no vacancy reserved for Scheduled Caste/Scheduled Tribe should be dereserved as the Committee is basically opposed to the principle of dereservation.

13. 3.50 The Committee suggest that Khadi and Village Industries Commission should resort to special recruitment of Scheduled Caste/Scheduled Tribe candidates with a view to fill all the reserved vacancies which could not be filled earlier and which have not lapsed so far.
14. 4.19 The Committee note that the reservation orders were made applicable to Khadi & Village Industries Commission in 1964. The statement relating to the staff strength in 1964 indicates that there were 5139 employees in the Commission out of which 124 belonged to Scheduled Castes and Scheduled Tribes. The statement indicating the staff strength as on 31.3.1982 indicates that the total number of employees in Khadi and Village Industries Commission was 4,635 out of which Scheduled Caste and Scheduled Tribe employees were only 359. During evidence when the Committee enquired why the total number of employees in Group 'C' had been reduced to 3054 in 1982 as compared to 4406 in 1964, the representative of the Ministry of Industry (Department of Industrial Development) had stated that this was on account of ban on recruitments, closing the activities of the Commission in three States, namely Bihar, Gujarat and Tamilnadu and the decision that the State Boards should themselves carry on their activities. Subsequently, the representative of the Department of Industrial Development corrected his statement by saying that "Government did not ban recruitment ; Government only banned creation of posts." In this connection, the representative of Khadi and Village Industries Commis-
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sion stated categorically that "as far as embargo is concerned, it is on filling up of posts and it is not on creation of posts."

From the above contradictory statements made by the representative of the Ministry and of the Commission the Committee can draw only one conclusion that the concerned authorities have no clear grasp as to why there have been consistent shortfalls in the recruitment of Scheduled Castes and Scheduled Tribes in the Commission. The Committee need hardly stress that if the Khadi and Village Industries Commission was sincere in their efforts to recruit Scheduled Castes and Scheduled Tribes according to the reservation policy laid down by the Central Government there is no reasons why there should be shortfalls in various categories of posts.

The statement showing the recruitment made during the years 1980, 1981 and 1982 indicates that the total number of vacancies were always much more than the number of vacancies actually filled. The representative of the Commission explained this variation by saying that some of the vacancies had been filled "on Acting basis" which had not been reflected in the statement. The representative of the Commission also admitted that the principle of reservation was applicable if the vacancy was for a period of 45 days or more. In these circumstances, the Committee are at a loss to understand how the Commission was filling up posts on "acting basis" from year to year with the result that the recruitment figures for 1980, 1981 and 1982 do not indicate a true picture. The Committee, therefore, conclude that the data given in the statement is not reliable and a clear picture regarding the recruitments made in each group is not available even with the Khadi and Village Industries Commission. This conclusion of the Committee gets necessary support from the footnote given in the statement relating to the recruitment for the years 1980 to 1982. The footnote states that "some information may still be missing and some vacancies might have been filled on acting basis. The element of reservation filled therein is not available." These words are revealing and indicate the actual state of affairs of the working

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of the Khadi and Village Industries Commission. The Committee feel surprised that this organisation which has a large number of regional offices and is catering to the needs of the handloom sector in almost all states should be so mismanaged that authentic data regarding their own employees is not available with the headquarter of the Commission.

The Committee would like to be apprised as to how far the remedial measures proposed to be taken by the Khadi and Village Industries Commission have succeeded in clearing the backlog in all categories of posts.

15. 4.20 The Committee recommend that the Khadi and Village Industries Commission should go into the question of unattractive pay-scales of their employees vis-a-vis other organisations and try to improve the pay-scales wherever they consider it necessary to do so.
16. 4.21 The Committee recommend that the Commission should make serious efforts to remove the shortfalls in Group 'C' and 'D' posts for which there appears to be no dearth of Scheduled Caste and Scheduled Tribe candidates. In order to remove the shortfalls 50% of all fresh vacancies should be filled by Scheduled Caste and Scheduled Tribe candidates till such time the backlog is cleared. In case this procedure does not help to wipe out the shortfalls, the Commission might consider to make special recruitment to Group 'C' posts exclusively for Scheduled Castes and Scheduled Tribes.
17. 4.24 The Committee note that in Khadi and Village Industries Commission the selected candidates who are on probation are given in-service training. However, no special arrangements have been made for giving in-service training to the Scheduled Caste/Scheduled Tribe employees but they are given this training alongwith other employees. The representative of the Commission stated during evidence that the Commission was considering to introduce separate in-service training programme for Scheduled Caste/Scheduled Tribe employees. He assured the Committee that they will follow the directions of the Government in this regard. The Committee need hardly



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stress that the aim of the in-service training is to bring Scheduled Castes and Scheduled Tribes candidates upto the required standard. The Committee, therefore, recommend that in-service training scheme for Scheduled Caste and Scheduled Tribe employees should be introduced forthwith.

The Committee also recommend that pre-promotion training programmes should be arranged for the benefit of Scheduled Caste/Scheduled Tribe employees, who are eligible for promotion prior to the holding of written tests so as to improve their chances of selection.

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5.19

The Committee note that Government of India has accorded an important place to Khadi and Village Industries Programmes in the overall economic development of the country from the viewpoint of employment generation in the rural areas. The activities of the Khadi and Village Industries Commission are carried out through two organisations viz. State Khadi and Village Industries Boards and the Voluntary Organisations to whom the Commission provides financial assistance.

Khadi and Village Industries Commission extends financial assistance in the form of grant under Integrated Development Programme to the societies and institutions mostly working in the Weaker Section Areas engaged in introducing Khadi and Village Industries. The amount of grant is Rs. 40,000 during a continuous period of 7 years on a tapering scale per IDP block to an institution for bearing the initial cost of establishment of certain technical staff till the Khadi and Village industries units become economically viable.

As regards the financial assistance to individual artisans, the Committee are informed that under "Liberalised Pattern of Assistance" individual Artisans are given 75% grant and 25% loan for purchasing improved tools and equipments. Under this scheme there is, however, no fixed percentage for giving financial assistance to Scheduled Caste/Scheduled Tribe Artisans.

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The Committee recommend that some minimum percentage of financial assistance should be reserved for Scheduled Caste/Scheduled Tribe artisans.

19. 5.20 The Committee feel surprised that no monitoring system has been evolved so far by the Khadi and Village Industries Commission to safeguard the interests of Scheduled Caste/Scheduled Tribe artisans. The Committee recommend that the Commission should introduce a monitoring system to look after the interests of Scheduled Caste/Scheduled Tribe artisans both for Khadi and Village Industries.

20. 5.21 The Committee were informed during evidence that "another programme for individual's benefit is the Integrated Rural Development Programme which will be implemented from next year." The Committee need hardly stress that Integrated Rural Development Programme is not a new programme. The various employment generating programmes which come within the sphere of activity of Khadi and Village Industries Commission should have proper linkages with I.R.D.P. Unless this is done, it will be difficult to monitor whether the same person or group of persons are getting the benefits under more than one scheme.

On the question of reservation for Scheduled Castes and Scheduled Tribes in Village Industries Sector, the Committee were informed during evidence that village industries are being managed through the State Boards which implement the programmes through their own institutions including Cooperative institutions. As far as these institutions are concerned, Khadi and Village Industries Commission can not have a coercive powers to implement the reservation policy. The Committee feel that as the funds are provided by the Khadi and Village Industries Commission to the State Boards, there is no reason, why they should not assert in getting due share for Scheduled Castes/Scheduled Tribes in various programmes being undertaken by the State Boards.

On the role of the District Industries Centres for implementing the Khadi and Village Industries Programmes

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the Chairman, Khadi and Village Industries Commission informed the Committee during evidence that "we are trying to coordinate our programmes with various block authorities as well as Collectors. We will try to implement the programme in coordination with the District Authorities." The Committee feel that while it is necessary to coordinate these programmes with the District Authorities, it will be too much to expect that the Collectors can play a predominant role in making these programmes successful. The Committee, therefore, recommend that Khadi and Village Industries Commission should strengthen their own machinery for the implementation of Khadi and Village Industries programmes in the rural areas. The Committee need hardly stress that too much dependence on District Authorities will not bring about the desired results. As the funds are provided by the Commission, to state Boards and other Institutions they must evolve a proper machinery to oversee the implementation of these programmes.

21. 5.22 The Committee note that as on 31.3.1982 Rs. 308.48 crores were outstanding loans given by Khadi and Village Industries Commission to societies, institutions and State Boards. Such a huge amount remaining outstanding confirms the Committee's conclusion that Khadi and Village Industries Commission has failed to set up an adequate monitoring system for Khadi and Village Industries. The Committee feel that unless the recovery position is improved and the loans are repaid to the Commission by the concerned institutions in time, adequate funds would not be available for recycling. The Committee, therefore, recommend that suitable remedial steps should be taken by the Commission to improve the recovery of loans from the State Boards as well as other institutions concerned.
22. 5.30 The Committee are surprised to note that Khadi and Village Industries Commission could not take any effective steps to stop the sale of 'spurious Khadi'. The casualness with which this problem was dealt with is reflected in the reply given during evidence, by the representative of Khadi and Village Industries Commission that some attempts were made in the past to stop the sale of spurious
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khadi in the market. But so far these attempts have not assumed any positive or practical shape.

The representative of the Commission admitted that if spurious khadi was removed from the market, the sale of khadi produced by their institutions would go up. The Committee need hardly emphasise that the purity of Khadi is essential and must be maintained to enlist the faith of the customers and wearers of Khadi. As such, Government might consider if it is feasible to issue a trade Mark 'Khadi' for the cloth produced by institutions controlled and aided by Khadi and Village Industries Commission.

The Committee further recommend that Khadi and Village Industries Commission Act may be amended, if necessary, for the purpose of stopping the sale of spurious Khadi which has not been produced from hand spun yarn.

23. 5.39 According to the data furnished to the Committee, in Khadi Sector the percentage share of Scheduled Castes and Scheduled Tribes in employment is 10% and 1% respectively. The Committee find that taking into account the total employment generated by Khadi and Village Industries the percentage share of Scheduled Castes and Scheduled Tribes comes to 11 & 15 respectively. In view of the fact that Scheduled Castes comprise 15% (which is double the population of Scheduled Tribes who constitute 7½% of the population), their share in the total employment generated in Khadi and Village Industries Sector is very low. The Committee, therefore, recommend that Khadi and Village Industries Commission should make concerted efforts to provide employment to Scheduled Castes in industries like Ghani oil, Cottage Match, Aluminium utensils and Polyvastra with a view to increase their share in the total employment generated in Khadi and Village Industries Sectors.
24. 5.49 The Committee note that Khadi and Village Industries Commission have arranged several training programmes both in Khadi and Village Industries Sectors. The Committee feel unhappy that in these training programmes there is no reservation of seats for Scheduled Castes and

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Scheduled Tribes. The Committee also feel surprised that the Scheduled Caste and Scheduled Tribe persons who are taken in these training Courses are not provided any special facilities. The Committee note that during the years 1980-81, 1981-82 and 1982-83, 3246 persons were given training in Khadi sector out of which only 212 were Scheduled Castes and 98 Scheduled Tribes. Asked about the number of Scheduled Castes and Scheduled Tribes who received training in the Village Industries Sector, the Committee was informed that no separate data for Scheduled Castes and Scheduled Tribes was available. The Chairman of the Commission had stated during evidence that they had given employment to about 40 million people by the end of the Sixth Five Year Plan and 27 per cent of the total employment generated had gone to Scheduled Castes and Scheduled Tribes. From the data made available to the Committee regarding training given to Scheduled Castes and Scheduled Tribes in Khadi Sector, the Committee do not agree with the views of the Chairman of the Khadi and Village Industries Commission that 27% of the employment opportunities have gone to Scheduled Castes and Scheduled Tribes.

The Committee recommend that certain percentage of seats should be reserved for Scheduled Caste/Scheduled Tribes persons in various training Courses both in Khadi and Village Industries Sectors. Correct data relating to the number of Scheduled Caste/Scheduled Tribe persons trained in these sectors should be maintained by the Commission. The Scheduled Caste/Scheduled Tribe persons who are selected for training should receive special attention with a view to improve their technical skills and remove deficiencies, if any.

25. 5.50 The Committee would like to be informed about the steps taken by the Commission to streamline the procedure for selection of trainees in Khadi and Village Industries Sectors and for reserving a fixed quota for these communities.
26. 5.57 The Committee feel surprised that no survey or assessment has been made by Khadi and Village Industries Commission regarding economic conditions of Scheduled Tribes

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and the extent to which improvement has been made in their skills in crafts as also in getting employment opportunities in tribal areas.

The Committee recommend that Khadi and Village Industries Commission should carry out a survey in the Hill & Tribal Areas of the country to assess the impact of their programmes on the socio-economic conditions of the Tribal people. The Committee strongly feel that in the absence of such a survey Khadi and Village Industries Commission cannot devise suitable programmes for implementation during the Seventh Plan period.

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**LIST OF AUTHORISED AGENTS FOR THE SALE OF EOK SABHA  
SECRETARIAT PUBLICATIONS**

Sl. No.	Name of Agent	Sl. No.	Name of Agent
<b>BIHAR</b>		<b>WEST BENGAL</b>	
1.	M/s Crown Book Depot, Upper Bazar, Ranchi (Bihar).	12.	Mrs. Maximala, Buys and Sells, 123, Bow Bazar Street, Calcutta-12.
<b>GUJARAT</b>		<b>DELHI/NEW DELHI</b>	
2.	The New Order Book Company, Ellis Bridge, Ahmedabad-380006.	13.	Jain Book Agency, Connaught Place, New Delhi.
<b>MADHYA PRADESH</b>		14.	J.M. Jain & Brothers Morl Gate, Delhi.
3.	Modern Book House, Shiv Vilas Palace, Indore City.	15.	Oxford Book & Stationery Co., Scindia House, Connaught Place, New Delhi-110001.
<b>MAHARASHTRA</b>		16.	Bookwell 4, Sant Nirankari Colony, Kingsway Camp, Delhi-9.
4.	M/s Sunderdas Gian Chand, 601, Girgaum Road, Near Princess Street, Bombay-2.	17.	The Central News Agency, 23/90, Connaught Place, New Delhi.
5.	The International Book Service, Deccan Gymkhana, Poona-4	18.	M/s Rajendra Book Agency, IV-D/53, IV-D/50, Lajpat Nagar, Old Double Storey, New Delhi-110024.
6.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-1.	19.	M/s Ashoka Book Agency, BH-82, Poorvi Shalimar Bagh, Delhi-110033.
7.	M/s Usha Book Depot, Law Book Seller and Publishers' Agents Govt. Publications, 585, Chira Bazar, Khan House, Bombay-400002.	20.	Venus Enterprises B-2/85, Phase-II, Ashok Vihar, Delhi.
8.	M & J Services, Publishers, Representative Accounts & Law Book Sellers, Mohan Kunj, Ground Floor, 68, Jyotiba Fule Road, Nalgaum-Dadar, Bombay-400014.	21.	Amrit Book Company, N-21, Connaught Circus, New Delhi-110001.
9.	Subscribers Subscription Services India, 21, Raghunath Dadaji St., 2nd Floor, Bombay-400001.	<b>SECUNDERABAD</b>	
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Published under Rule 382 of the Rules of Procedure and  
Conduct of Business in Lok Sabha (Sixth Edition) and Printed by  
M/s Samrat Press, 7117/18, Pahari Dhiraaj, Delhi-110006.