

under different companies and every company had a different set of rules. Now all the railways have come under the Government of India. I want to know whether there are standard rules for all India.

**SHRI C. M. POONACHA :** The present rules apply to the Indian Railways as such in the country.

#### Modernisation of Textile Industry

\*1683. **SHRI HIMATSINGKA :** Will the Minister of COMMERCE be pleased to state:

(a) whether the Working Group has since been set up to study the difficulties experienced by the textile mills in obtaining finance for working capital and for modernisation of mills and;

(b) if so the precise terms of reference and composition of this group and when the group is likely to submit its report?

**THE MINISTER OF COMMERCE (SHRI DINESH SINGH) :** (a) The Reserve Bank of India has set up a working group.

(b) A statement is laid on the Table of the House.

#### Statement

The terms of reference of the Working Group are:—

(1) To consider the difficulties experienced by those cotton textile mills which are unable to provide normal margins but whose financial condition is otherwise sound in securing credit facilities from commercial banks for modernisation or working capital purposes. (2) To examine the feasibility of providing a reasonable degree of protection to the commercial banks against the risk involved in extending additional credit to such mills by accepting lower margins and/or by adopting a revised valuation of fixed assets as may be appropriate, and (3) To make recommendations which may include a scheme for this purpose.

2. The Composition of this Working Group is follows:—

1. **Shri M. A. Rangaswamy,**  
Textile Commissioner —Chairman

2. **Shri N. S. Nadkarni, Dy.**  
Chief Officer, Reserve Bank  
of India. —Member
3. **Shri D. S. Herwathe,**  
Superintendent (Advances)  
State Bank of India. —Member
4. **Shri Y. S. Kedare, Manager (Offg.),**  
Industrial Development  
Bank of India. —Member
5. **Shri S. Venkataraman,**  
Manager (Loans), Bank of  
India. —Member
6. **Shri Gopal Rao, Assistant**  
General Manager, Bank of  
Baroda. —Member
7. **Shri Madanmohan Mangaldas**  
/Shri Radhakrishna R. Ruia  
Chairman/Deputy Chairman  
Indian Cotton Mills Fede-  
ration. —Member
8. **Shri B. G. Kakatkar,**  
Secretary General, Indian  
Cotton Mills Federation. —Member
9. **Shri I. B. Dutt, Industrial**  
Adviser, Office of the  
Textile Commissioner,  
Bombay. —Member
10. **Shri T.S. Kunchithapatham,**  
National Textile Corpo-  
ration —Member
11. **Dr. M. S. Shrinivasan,**  
Director (Economics and  
Statistics), Office of the  
Textile Commissioner,  
Bombay. Member Secretary

The Working Group hopes to submit its report in about a month.

**SHRI HIMATSINGKA :** May I know wheater it is a fact that some committees were appointed some time back and they submitted reports on modernisation of textile industry; if so, what action has been taken on those reports? If no action has been taken on them, what is the use of having more committees?

**SHRI DINESH SINGH :** The hon. Member knows that committees have been appointed from time to time to go into specific issues as such. The Ramaswami Mudaliar Textile working Committee which was appointed in 1950 had gone into the question of textile machinery, how old it was and all the rest of it. Then there

was the Committee on Industrial Development and also the Joshi Committee. So far as this committee is concerned the specific purpose was to see how there could be liberalisation of credits which are being given by banking institutions to textile industry.

**SHRI HIMATSINGKA :** May I know whether it is a fact that the mills producing higher medium cloth whose share is about 65 per cent of the total production have been hard-hit by the current recession and the crisis faced by them has further deepened with the recent revision in the textile policy as they will not only have to pay additional excise duties as a result of decontrol but also they have to pay six paise per metre for transferring controlled cloth quota by them to other mills; if so, whether Government are considering any special incentive to extricate them from this difficulty?

**SHRI DINESH SINGH :** I thought the hon. Member was in favour of decontrol when we decontrolled it.

**SHRI S. S. KOTHARI :** Sir a number of mills have closed down or are incurring heavy losses because of lack of modernisation and rehabilitation of old machinery. Previously a corporation had been formed, known as the NIDC, and it was supposed to cater to the needs of sick mills and provide them with funds for rehabilitation. Then the commercial banks also financed modernisation. They had a scheme of having such amounts recouped by the Reserve Bank of India, if they provided funds for rehabilitation purposes. Will the hon. Minister kindly consider or tell us whether he is trying to provide funds to NIDC or ask these banks to take funds from the Reserve Bank and provide money to these mills, so that they can rehabilitate their machinery?

**SHRI DINESH SINGH :** So far as this specific committee is concerned the terms of reference have been very clearly laid down and I have mentioned it in the statement that has been laid on the Table of the House, that is, to consider the difficulties experienced by those cotton textile mills which are unable to provide normal margins but whose financial

condition is otherwise sound in securing credit facilities from commercial bank for modernisation or working capital purposes.

**SHRI S. R. DAMANI :** The textile industry is passing through difficult times, particularly the spinning mills. This fact is well known. The fact that they require modernisation is also very clear. Yesterday while replying to a Calling Attention Notice the hon. Minister stated that stock of yarn has doubled in the last twelve months and that he has taken certain measures to stimulate the demand. In the last budget the excise duty on sized yarn was increased five times. Although some reduction has been made, may I request the hon. Minister to consider giving some relief in excise duty on yarn so that the demand can be increased? At present the excise duty comes to 30 per cent of the present price. In order to avoid closure of mills and to assist them in modernisation I suggest that the Minister may take action to reduce the excise duty.

**MR. SPEAKER :** It is a suggestion.

**SHRI K. RAMANI :** Sir, in this very same House on 2nd April the hon. Minister made a statement wherein he said that a moderate programme of modernisation of this industry in the next five years would cost about Rs. 200 crores. He also said that, on the other hand, money was being taken out of this industry and invested in other industries like chemicals and others. After taking away all the profits and investing them in other industries to reap higher profits the millowners have brought this industry into a crisis and they are not having any modernisation. Now they are coming to the Government to get capital for modernisation. Will the hon. Minister come forward with a stringent measure to provide, among other things, that definitely a portion of the millowners' profit should be kept apart for modernisation of the textile industry as otherwise the crisis will only deepen?

**SHRI DINESH SINGH :** I entirely agree with the idea expressed by the hon. member. I have myself said it that the difficulties we face are due to the fact that the industry is now in dire need of modernisation,

Even if the owners are not able to do it, we have got to look at the general impact it will have on our economy and also on the labour. Therefore, we are thinking in terms of giving some assistance ourselves. We will give such assistance as may be practicable. But the main responsibility is on the industry and we shall do our best to persuade them to go into modernisation and pay for it themselves.

**SHRI RAJASEKHARAN :** May I know whether it is not a fact that some of the commercial banks are not coming forward to extend credit facilities to meet the working capital of some of the mills in spite of the fact that some of the State Governments were willing to stand as guarantee; if so, what action Government propose to take in the matter?

**SHRI DINESH SINGH :** I am not aware of any specific cases where the State Government's guarantee is not being honoured by the banks as such. If it is brought to my notice I shall certainly go into it. But this committee is going into this question of making more facilities available for modernisation through commercial banks.

**SHRI S. KANDAPPAN :** I would like to know whether the recent credit facility that was given for the apex societies to purchase yarn from the spinning mills where there is enough stock will relieve the mills only to the extent that the yarn that is intended for the handloom industry will be released from the stock? I would also like the Minister to say whether it is true that the mills are facing a crisis because the special type of yarn that is intended for the powerloom sector is not being lifted because of assistance given; if so, may I know what steps Government propose to take to give relief on that score?

**SHRI DINESH SINGH :** That was the idea. Because there has been accumulation of stock of a particular kind of yarn, it may be possible for the apex society to help. We are placing more funds at their disposal to do that. But I entirely agree that this in itself may not be the answer to the question. The question is of the movement of stock to the handloom and powerloom sector. This is one way in which we feel we can help.

### SHORT NOTICE QUESTION

यूगोस्लाविया में कुश्ती क्लिनिक

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SNQ. 32. श्री कंवर लाल गुप्त :

श्री श्रींकार लाल बेरवा :

क्या शिक्षा मन्त्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि अन्तर्राष्ट्रीय कुश्ती महासंघ ने रेफरियों के लिये यूगोस्लाविया में एक क्लिनिक आयोजित किया था,

(ख) क्या उस क्लिनिक में भारत ने भाग लिया था, और

(ग) यदि नहीं, तो इसके क्या कारण थे ?

शिक्षा मन्त्रालय में राज्य मन्त्री (श्री भागवत झा आजाद) : (क) जी हां ।

(ख) जी नहीं ।

(ग) भारत सरकार ने, भारत के कुश्ती संघ द्वारा प्रायोजित चार रेफरियों के भाग लेने के लिए मंजूरी दे दी थी और उनके लिए विदेशी मुद्रा देने के लिए भी आदेश जारी कर दिए थे। किन्तु इन सब उपायों के बावजूद भारत के कुश्ती संघ ने रेफरियों को नहीं भेजा ।

श्री कंवर लाल गुप्त : अध्यक्ष महोदय, भारतीय कुश्ती संघ के जो सेक्रेटरी जनरल हैं उन्होंने, विदेशी मुद्रा दिये जाने के बाद भी, इन पहलवानों को नहीं भेजा क्योंकि ये जिनको भेजना चाहते हैं उनसे पैसा लेते हैं। इनके खिलाफ इम्बेजिलमेन्ट के, करप्शन के बहुत सारे चार्ज भी हैं और इनके पास कोई मीन्स ग्राफ लाइवलीहुड भी नहीं है। इनका एक लड़का इंग्लैंड में पढ़ता है, और भी बहुत सारे इनके खर्चे हैं। इनके खिलाफ करप्शन के बहुत सारे एलिगेशन्स सरकार के पास आये हैं। मेरा सवाल यह है कि जो इनके खिलाफ चार्ज हैं, करप्शन के, माल-प्रीकितसेज के उनको, बजाय