

**Bill No. XXXIII of 2009**

**THE HANDLOOM WEAVERS (PROTECTION AND WELFARE)  
BILL, 2009**

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**BILL**

*to provide for the protection of distressed handloom weavers who are debt ridden, exploited and are committing suicide and for introduction of welfare measures like life insurance coverage, interest free working capital and consumption loan, healthcare, education to the children, availability of affordable raw material, modernization of looms, housing and compulsory purchase of handloom cloth by government and for the establishment of an authority and a welfare fund and for matters connected therewith and incidental thereto.*

BE it enacted by Parliament in the Sixtieth Year of the Republic of India as follows:—

**1.** (1) This Act may be called the Handloom Weavers (Protection and Welfare) Act, 2009.

Short title,  
extent and  
commence-  
ment.

(2) It extends to the whole of India.

(3) It shall come into force with immediate effect.

**2.** In this Act, unless the context otherwise requires:—

Definitions.

(a) "Appropriate Government" means in the case of a state, the Government of that state and in other cases the Central Government;

(b) "Authority " means the National Handloom Weavers Welfare Authority established under section 3;

(c) "Fund" means the Handloom Weavers Welfare Fund established under section 5;

(d) "handloom" means any loom used for production of cloth other than the powerloom as defined in clause (g) of section 2 of the Factories Act, 1948;

63 of 1948.

(e) "prescribed" means prescribed by rules made under this Act;

(f) "weaver" means a person engaged in the production of cloth on a handloom and includes a person who owns, works or operates on a handloom for the production of cloth;

(g) "worker" means a handloom worker whether male or female engaged by a weaver and who earns wages on daily or any other basis by working on handloom.

Central  
Government  
to establish  
National  
Handloom  
Weavers  
Welfare  
Authority.

**3. (1) The Central Government shall, as soon as may be, by notification in the Official Gazette, establish an Authority to be called the National Handloom Weavers Welfare Authority for the purposes of this Act.**

**(2) The headquarter of the Authority shall be at Hyderabad in the State of Andhra Pradesh and the Authority may establish offices at such other places in the country, as it may deem necessary for carrying out the purposes of this Act.**

**(3) The Authority shall consist of the following members who shall be appointed by the Central Government, namely:—**

**(a) a chairperson having adequate knowledge and professional experience in handloom sector;**

**(b) a Deputy Chairperson with such qualification, as may be prescribed;**

**(c) five members of Parliament of whom three shall be from Lok Sabha and two from Rajya Sabha to be nominated by the respective Presiding Officers of the two Houses;**

**(d) three members to represent handloom cooperatives;**

**(e) three members to represent the handloom weavers;**

**(f) four members to represent the Union Ministries of finance, Planning, Labour and Employment and Textiles;**

**(g) four members to be nominated by the Government of the States to be rotated amongst them in alphabetical order.**

**(4) The Authority shall be a body corporate by the name aforesaid, having perpetual succession and common seal, with power to acquire, hold and dispose of property both movable and immovable and to contract and shall, by the said name, sue or be sued.**

**(5) The term of Office of the Chairperson, Deputy Chairperson and members of the Authority and the procedure to be followed in the discharge of the functions of the authority shall be such as may be prescribed.**

**(6) The Authority shall have a secretariat with such Officers and members of staff and with such terms and conditions of services as may be prescribed from time to time.**

Functions of  
the Authority.

**4. (1) Subject to any guidelines issued by the Central Government under the provisions of the Act, the Authority shall perform and undertake such special steps in close coordination with the Governments of the States for the overall welfare, removal of poverty and indebtedness, raising the standard of living, modernize the looms and making easy availability of raw materials at affordable prices and marketing of handloom cloth of and for the handloom weavers, their families and workers.**

(2) Without prejudice to the generality of the foregoing provisions, the Authority shall,—

- (a) Formulate welfare policy for the handloom weavers and workers;
- (b) maintain records of handlooms existing in all the villages, districts and other places throughout the country;
- (c) maintain a District-wise register of handloom weavers and handloom workers with such particulars and in such manner as may be prescribed;
- (d) regulate the service conditions of workers in such manner as may be prescribed;
- (e) fix minimum wages for handloom workers from time to time;
- (f) ensure modernization of all the old handlooms;
- (g) encourage and provide all necessary assistance to handloom weavers cooperatives and for their democratic functioning;
- (h) organise exhibitions, *melas* and such other activities to promote handloom sector in different parts of the country;
- (i) make suitable arrangements for purchase of handloom cloth by Government agencies on cash and carry basis;
- (j) encourage export of handloom cloth and handloom garments from the country in a big way;
- (k) perform such other functions as may be assigned to it by the appropriate Government from time to time.

**5. (1) The Central Government shall, as soon as may be, but within one year of the commencement of this Act, by notification in the Official Gazette, establish a fund to be called the Handloom Weavers Welfare Fund with a corpus of rupees five thousand crore and thereafter shall contribute to the fund from time to time after due appropriation made by Parliament by law in this behalf along with the Government of the States in such ratio as may be prescribed.**

Establishment  
of Handloom  
Weavers  
Welfare Fund.

(2) There shall also be credited to the fund such other sums as may be received by way of donations, contributions, assistance or otherwise from individuals, weavers and workers, body corporates, financial institutions firms, partnerships, etc.

(3) The fund shall be managed by a Board of Trustees, which shall be constituted by the Central Government in such manner as may be prescribed.

(4) the fund shall be spent on,—

- (a) providing interest free consumption loans to handloom weavers from time to time;
- (b) making *ex-gratia* payments at prescribed rates to each of the bereaved families of handloom weavers who die prematurely;
- (c) providing loans at nominal interest for purchasing cotton yarn and other necessary raw materials to the handloom weavers;
- (d) insuring all handlooms, handloom weavers and workers;
- (e) providing healthcare facilities, maternity and such other facilities to the handloom weavers and workers;
- (f) providing educational facilities and vocational training to the wards of weavers and workers;

**(5) Such other welfare measures as may be prescribed.**

Role of Central Government and other Ministries.

**6. (1) It shall be the duty of the Central Government to ensure regular supply of yarn to the handloom weavers at affordable and subsidized rates throughout the country.**

**(2) The appropriate Government, all its Ministries, Departments, subordinate Offices, Public Sector Enterprises shall purchase their entire cloth requirements for dusters, curtains, table cloth and such other things exclusively from the primary handloom weavers and not from the mills and power loom sectors.**

**(3) The appropriate Government shall ban the export of cotton and cotton yarn from the country.**

Central Government to provide funds.

**7. The Central Government shall, after due appropriation made by Parliament by law in this behalf, pay to the authority in each Financial Year such sums as may be considered necessary and adequate for the performance of the functions of the Authority under this Act.**

Annual report.

**8. The Authority shall prepare once in every calendar year in such form and at such time as may be prescribed an annual report giving a true and full account of its activities during the previous year and copies thereof shall be forwarded to the President of India, who shall cause, the same to be laid before both the Houses of Parliament.**

Power to remove difficulties.

**9. (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as appear to it to be necessary or expedient for removing the difficulty:**

Provided that no such order shall be made after the expiry of the period of two years from the date of the commencement to this Act.

**(2) Every order made under this section shall, as soon as may be, after it is made, be laid before both the Houses of Parliament.**

Act to have overriding effect.

**10. The Provisions of this Act shall be in addition to and not in derogation of any other law for the time being in force regulating any of the matters dealt with in this Act.**

Power to make rules.

**11. The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.**

## STATEMENT OF OBJECTS AND REASONS

In a vast nation like ours there are lakhs of handloom units in which millions of weavers and workers weave cloth on the looms to earn their livelihood. These handlooms units are mainly located in Andhra Pradesh, Tamil Nadu, Uttar Pradesh, Bihar, Madhya Pradesh, Maharashtra and, in fact, handloom units are there in every part of our country. For most of the weavers, it is their family profession which passes on from one generation to other and their entire families are involved in this profession such as dyeing, bleaching, mercerizing, embroidery, printing, etc. For them, handloom is the only source of their livelihood and prosperity. Handloom cloth is very popular amongst the people not only in the country but also abroad, where it is in great demand. In fashion world too, it is very popular.

But unfortunately, handloom sector is not doing very well and it is at the verge of collapse and extinction. The foremost reason for this is non-availability of cotton yarn at affordable prices. The cotton yarn, which is the principal raw material for handloom cloth has become very costly and it is difficult for the weavers to purchase it from the market. If it is purchased at market price, then the cloth become prohibitively costly for the buyers. This situation is leading to closure of the handloom units. One of the primary reasons of costly cotton yarn is the export of cotton and cotton yarn from the country resulting in scarce availability of yarn in the country. Other reasons are costly handloom cloth which has gone beyond the reach of common man, non-purchase of handloom products by the Government and its organisations, exploitation by private traders, non-availability of easy consumption and working loans from banks and other financial institutions resulting in exploitations of weavers by money-lenders, absence of welfare funds for the weavers and any statutory authority to watch their interest.

Another shocking factor is that this vital sector has been consistently ignored by the successive Governments at the Centre as well as in the States. As a result, the powerloom sector and cloth mills have invaded this sector. Their lobby is so strong that it has ensured non-implementation of the Handlooms (Reservation of Articles for Production) Act, 1985 by obtaining an injunction from the Court and no Government has tried to get it vacated from the Court. This way, the very purpose of enacting the law has been defeated. This way, it is very likely that the handloom sector may vanish in near future, if no concrete, remedial measures are taken to save this sector.

The most disturbing and sad part is that the frustrated handloom weavers, who are neck deep in debt trap are committing suicides in various parts of the country. Thousands of such hapless weavers have already ended their lives and much more are at the verge of doing so. The circle region of Andhra Pradesh is very much ahead in this regard. Reports of many starvation deaths of handloom weavers have also come to light, which is no doubt is a blot on our democratic polity. As such remedial measures have to be taken urgently so that handloom weavers and handloom factories are saved from extinction. It has, therefore, been proposed to establish the National Handloom Weavers Authority and also the Handloom Weavers Welfare Fund for the purpose. Some other miscellaneous provisions have also been proposed. This will certainly improve the lot of handloom weavers and save them from starvation and committing suicides in various parts of our nation.

Hence this Bill.

GIREESH KUMAR SANGHI

#### FINANCIAL MEMORANDUM

Clause 3 of the Bill seeks to constitute the National Handloom Weavers Welfare Authority and to have a Secretariat with such officers and members of staff. Clause 5 provides for the establishment of Handloom Weavers Welfare Fund. Clause 6 provides that the Central Government should ensure regular supply of yarn to handloom weavers at subsidised rates. Clause 7 provides that the Central Government to provide appropriate funds to the Authority.

The Bill, if enacted and brought into force, will involve an expenditure from the Consolidated Fund of India. It is estimated that a sum of rupees five thousand crore may involve as recurring expenditure per annum.

A non-recurring expenditure of rupees two hundred crore is also likely to be incurred.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 11 of this Bill empowers the Central Government to make rules for carrying out the purposes of the Bill. As the matter will relate to details only, the delegation of legislative powers is of normal character.

RAJYA SABHA

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to provide for the protection of distressed handloom weavers who are debt ridden, exploited and are committing suicide and for introduction of welfare measures like life insurance coverage, interest free working capital and consumption loan, healthcare, education to the children, availability of affordable raw material, modernization of looms, housing and compulsory purchase of handloom cloth by government and for the establishment of an authority and a welfare fund and for matters connected therewith and incidental thereto.

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*(Shri Gireesh Kumar Sanghi, M.P.)*