

## Annexure-IV

### Background:

1. In 1920, the Swadeshi movement and the demand for cotton during World War II provided great stimulus to the Indian Cotton Textile Industry. Textile trade became an essential part of Bombay. Facets of the textile industry characterized every part of the city. It defined the city's landmarks the large compounds of textile mills and the over-reaching presence of mill towers dotted the landscape of the city. By the early 1920s British control over cotton trade was nearing its end. The Cotton Exchange developed exclusively for trading in cotton was built near the docks in 1924.

2. While the cotton industry proliferated, there was a growing need to adopt measures to enhance exports and the reputation of Indian textiles. This situation made it necessary to establish a fund to supervise the export of cotton cloth and yarn, develop technical education, research and other matters in relation to the Cotton Textiles Industry. As a result, Viceroy and Governor General of India, Lord Wavell promulgated Cotton Textiles Fund Ordinance on July 8<sup>th</sup>, 1944. This ordinance was meant to "promote, support, protect, maintain and increase the export of cloth and yarn". It gave birth to the Cotton Textiles Fund which was formed through the collection of a three percent cess on the ex-mill price of cotton cloth and yarn exported out of the country. This led to creation of a development fund-a defining point for the cotton industry. In 1947 the Indian Government amended the Cotton Textile Fund Ordinance and appropriated the whole fund to the exchequer, stating that the Government, may from time to time make such contributions to the fund as it deems fit. In 1948 the Minister for Industry and Supply, Dr Shyama Prasad Mukherjee reviewed the activity of the Cotton Textiles Fund Committee since the promulgation of the Ordinance and emphasized concentrating on the objectives. As a result, a Central statutory body to administer the Cotton Textile Fund was brought into effect. Apart from cess collection, the function of this Committee would also be to co-ordinate the working of the three Textile Research Institutes which unified control over textile research. Simultaneously, under the aegis of the Cotton Textiles Fund Committee three research institutes came into being – the Bombay Textile Research Association (BTRA), the Southern India Textile Research Association (SITRA), and the Northern India Textile Research Association (NITRA). These Textile Research were subsequently brought under the control of Autonomous Councils.

3. In early 1960s various textile inspections other than cotton that were conducted by the Office of the Textile Commissioner were shifted to the Committee. With the advent of the time and development of Textile Trade and Industry from cotton to other segments, a need was felt for a separate body with pragmatic approach. This was finally resulted in evolution of a body with participation of public, private sectors.

4. Therefore, the Parliament in its 14<sup>th</sup> year of the Republic enacted the Textiles Committee Act, 1963 (41 of 1963), which received the President's assent on 3<sup>rd</sup> December 1963 and was published in the Gazette of India on December 4<sup>th</sup>, 1963. The Textiles Committee established by the Central Government, as an organization, started functioning from 22nd August 1964. By virtue of Section 3 of the Act, the Textiles Committee is a statutory body with perpetual succession and is under the administrative control of the Ministry of Textiles, Government of India, New Delhi.

5. The Textiles Committee is managed by a Committee comprising of 29 members as laid down under Section 3 (3) of the Act and Rule 3 of the Textiles Committee Rules, 1965. It

comprises a Chairman from the Industry, a Vice-Chairman - Textile Commissioner (ex-officio), and a Secretary, who is the Chief Executive of the organization as the Member Secretary. There are 12 other ex-officio members representing various Textile Federations, Export Promotion Councils etc., and 14 other members representing almost all interests of the textile sector.