

STANDING COMMITTEE ON LABOUR

(2018-19)

(SIXTEENTH LOK SABHA)

MINISTRY OF TEXTILES

**[Action taken by the Government on the Observations/
Recommendations of the Committee contained in their Thirtieth
Report (Sixteenth Lok Sabha) on 'Land Assets Management in
National Textile Corporation' pertaining to the Ministry of Textiles]**

FIFTY-FOURTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

February, 2019/ Magha, 1940 (Saka)

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Presented to Lok Sabha on 12.02.2019

Laid in Rajya Sabha on 12.02.2019



LOK SABHA SECRETARIAT

NEW DELHI

February, 2019/ Magha, 1940 (Saka)

CONTENTS

PAGE No.

COMPOSITION OF THE COMMITTEE (iv)

INTRODUCTION (v)

CHAPTER I	Report.....
CHAPTER II	Observations/Recommendations which have been accepted by the Government.....
CHAPTER III	Observations/Recommendations which the Committee do not desire to pursue in view of the Government's reply.....
CHAPTER IV	Observations/Recommendations in respect of which replies of Government have not been accepted by the Committee and which require reiteration.....
CHAPTER V	Observations/Recommendations in respect of which replies of the Government are interim in nature

APPENDICES

- I. Minutes of the sitting of the Committee held on 11.02.2019.
- II. Analysis of the Action Taken by Government on the Observations/ Recommendations contained in the Thirtieth Report (Sixteenth Lok Sabha)

COMPOSITION OF THE STANDING COMMITTEE ON LABOUR

(2018-19)

DR. KIRIT SOMAIYA - CHAIRPERSON

MEMBERS

Lok Sabha

2. Shri Udayanraje Pratapsingh Bhonsle
3. Shri Rajesh Kumar Diwakar
4. Shri Ashok Kumar Dohrey
5. Shri Satish Chandra Dubey
6. Shri Devajibhai Govindbhai Fatepara
7. Shri Satish Kumar Gautam
8. Dr. Boora Narsaiah Goud
9. Shri Rama Chandra Hansdah
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11. Shri Bahadur Singh Koli
12. Dr. Arun Kumar
13. Shri Kaushalendra Kumar
14. Shri Hari Manjhi
15. Shri R. Parthipan
16. Shri Dayakar Pasunoori
17. Shri Hariom Singh Rathore
18. Shri Naba Kumar Sarania (Hira)
19. Shri Kodikunnil Suresh
20. Shri Mulayam Singh Yadav
21. Vacant

Rajya Sabha

22. Dr. Banda Prakash
23. Shri Ram Narain Dudi
24. Shri N. Gokulakrishnan
25. Shri Nazir Ahmed Laway
26. Shri P.L. Punia
27. Shri Rajaram
28. Shri Amar Shankar Sable
29. Ms. Dola Sen
30. Shri Madanlal Saini
31. Shri Akhilesh Prasad Singh

SECRETARIAT

- | | | |
|-------------------------------|---|---------------------|
| 1. Ms. Rhimjhim Prasad | - | Joint Secretary |
| 2. Shri P.C. Choulda | - | Director |
| 3. Shri C. Vanlalruata | - | Additional Director |
| 4. Shri Devudu Babu Badireddi | - | Executive Assistant |

INTRODUCTION

I, the Chairperson, Standing Committee on Labour (2018-19) having been authorized by the Committee do present on their behalf this Fifty-fourth Report on Action taken by the Government on the Observations/ Recommendations of the Committee contained in their Thirtieth Report (Sixteenth Lok Sabha) on 'Land Assets Management in National Textile Corporation' pertaining to the Ministry of Textiles.

2. The Thirtieth Report was presented to Lok Sabha and laid in Rajya Sabha on 28th December, 2017. The Ministry of Textiles furnished their replies indicating Action Taken on the Observations/ Recommendations contained in the Thirty-Fifth Report on 31st January, 2019. The Committee considered and adopted the Draft Report at their sitting held on 11th February, 2019.

3. An analysis of the action taken by the Government on the Observations/Recommendations contained in the Thirtieth Report of the Standing Committee on Labour (Sixteenth Lok Sabha) is given at Appendix-II.

4. For ease of reference, Observations/ Recommendations of the Committee have been printed in thick type in the body of the Report.

New Delhi;
11th February, 2019
22nd Magha, 1940 (Saka)

DR. KIRIT SOMAIYA
CHAIRPERSON,
STANDING COMMITTEE ON LABOUR

REPORT

CHAPTER-I

This Report deals with the action taken by the Government on the Observations/Recommendations of the Committee contained in their Thirteenth Report (Sixteenth Lok Sabha) on 'Land Asset Management in National Textile Corporation (NTC)' of the Ministry of Textiles.

2. The Thirteenth Report was presented to Lok Sabha/laid in Rajya Sabha on 28th December, 2017. It contained 26 Observations/Recommendations. Replies of Government in respect of all the recommendations have been received and are categorized as under:-

- | | | |
|-------|--|---|
| (i) | Recommendations/Observations which have been accepted by the Government –
Rec. Para Nos. 2.11, 2.13, 2.18, 2.27, 2.28, 2.29, 2.45, 2.48, 2.49, 2.50, 2.51, 2.56, 2.57, 2.67, 2.72, 2.73 and 2.74 | Total: 17
percentage:
65.38% |
| (ii) | Recommendations/Observations which the Committee do not desire to pursue in view of the Government's reply – | NIL |
| (iii) | Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration –
Rec. Para Nos. 2.12, 2.17, 2.30 and 2.46 | Total: 04
percentage:
15.38% |
| (iv) | Recommendations/Observations in respect of which replies of the Government are interim in nature -
Rec. Para Nos. 2.43, 2.44, 2.47, 2.66 and 2.77 | Total: 05
percentage:
19.24% |

3. The Committee desire that Action Taken Notes in respect of Observations/Recommendations contained in Chapter I and final action taken reply in respect of the Recommendation contained in Chapter V of this Report, for which interim reply has been given by the Government, may be furnished to them at the earliest.

I. Land Policy

(Recommendation Para No. 2.12)

4. In their original recommendation, the Committee had observed as under:

"The Committee note that during the year 2016 the Government had constituted a Committee for framing Guidelines on Asset Management to be followed by each of the Public Sector Units (PSU). Based on the Guidelines, an Action Plan was required to be prepared by each of the PSU. The Committee have been informed by NTC that they have received Guidelines on Capital Restructuring, from DIPAM (Ministry of Finance). NTC has to take decision on the Guidelines to be issued by the said Government Committee formed by the Department of Economic Affairs, Ministry of Finance, on asset management. The Committee desire to know about the action NTC has taken after receipt of the Guidelines. Further they desire to be apprised of whether the Guidelines on asset management have since been issued by the said Government Committee and if so, NTC should start preparing an action plan accordingly without delay. They desire to be furnished with the status on the matter at the action taken stage."

5. In their Action Taken Note furnished to the Committee, the Ministry of Textiles have stated as follows:

"Guidelines on Capital Restructuring have circulated by Ministry of Finance, Department of Investment and Public Asset Management (DIPAM) dated 27-05-2016. The said guidelines pertain to payment of dividend, bonus shares, buyback&splitting of shares.

NTC was implementing Modified Scheme (MS - 08) at a total cost of Rs. 9102.72 crores duly approved by Hon'ble BIFR vide its order dated 04.9.2008. The implementation period of the modified scheme was extended up to 31.03.2012. Despite the fact that NTC has yet to make sustainable operational profits, BIFR vide its order dated 20.10.2014 directed that M/s NTC Ltd. has ceased to be a sick industry company, within the meaning of section 3(1)(0) of SICA as its net worth has turned positive. Hence, NTC was discharged from the purview of SICA/BIFR.

AAIFR (Appellate Authority for Industrial and Financial Reconstruction) vide its order dated 17.01.2016 directed that all the unimplemented provisions of MS - 08 needs to be implemented by all concerned under the supervision of BIFR. As NTC has earned profits during F.Y. 2015-16 & F.Y. 2016-17 but as still having huge carried forward losses, payment of dividend is not applicable till its turnaround in a near future. As far as guidelines about bonus shares, buy back &splitting of shares are concerned. President of India is the majority shareholder (i.e. 99.76%) of NTC. These are not applicable on NTC."

6. The Committee noted that during the year 2016 the Government had constituted a Committee for framing guidelines on Asset Management to be followed by each of the Public Sector Unit (PSU) and an action plan was required to be prepared by each of the PSU. Further, NTC had informed that they have received guidelines on Capital Restructuring from DIPAM (MoF) and NTC has to take decisions on the guidelines to be issued by the said Government Committee and had desired to be apprised about the action taken after receipt of the guidelines and to be apprised of whether the guidelines on asset management have since been issued by the said Government Committee and if so, to start preparing an action plan accordingly without delay. In view of the above, the Committee are befuddled to note that in their action taken reply the NTC have commented on the guidelines of DIPAM on Capital Restructuring, whereas the Committee had stressed upon Asset Management. The Committee expressing concern over the immovable assets of NTC which are rather scattered, under encroachment and litigation, therefore, once again stress upon the NTC to prepare action plan on their asset management without further delay and apprise them of the progress achieved herein.

II. Freehold Land

(Recommendation Para No. 2.17)

7. In their original recommendation, the Committee had observed as under:

The Committee note that in their land bank, the NTC has 2,650.93 acres of freehold land, out of which 2,106.06 acres land is lying idle. They further note

that NTC is incurring an expenditure of Rs. 3153.41 lakh per annum towards maintenance/security of the land. The land utilisation policy of NTC is stated to be under finalisation. The Committee are concerned to note that on the one hand the NTC are selling their land to overcome their past burden and revive/modernise the Mills for their survival and on the other hand they are spending a very large amount annually on maintenance of land, which is lying idle, due to non-finalisation of their land utilisation policy. The Committee are of the view that being a Board run Company, NTC must take decisions fast, albeit subject to ratification as needed from the Competent Authority, so as to avoid any unfruitful expenditure. The Committee therefore, recommend that the Land Utilisation Policy may be finalised at the earliest so that the land identified for sale or otherwise could be decided upon.

8. In their Action Taken Note furnished to the Committee, the Ministry of Textiles have stated as follows:

"Noted"

9. The Committee were concerned to note that on one hand, the NTC are selling their land to overcome their past burden and review/modernize the mills for their survival and on the other hand they are spending a very large amount annually on maintenance of land which is lying idle due to non-finalisation of their land policy. Accordingly, they had recommended that Land Utilisation Policy may be finalised at the earliest after ratification from the competent authority. Rather than informing the Committee of the progress achieved in this regard, NTC in their action taken reply have stated that the concern of the Committee has been noted. Not at all satisfied with this tardy reply of the NTC and being well aware of the problems that NTC has been grappling with alongwith incurring huge financial expenditure on maintenance on land lying idle, the Committee, reiterate that Land Utilisation Policy be finalised at the earliest so that land identified for sale or otherwise could

be decided upon at the earliest. They further desire to be apprised about the progress achieved in this regard.

III. Leasehold Land Utilisation

10. In their original recommendation, the Committee had observed as under:

"The Committee note that out of 960.85 acres of leasehold land, 651.29 acres of land is lying idle and the NTC are spending Rs. 3153.41 lakh annually on both the freehold and leasehold lands lying idle for its maintenance/security/wages etc. The Committee opine that such a huge amount being spent on maintenance of idle leasehold land is bound to reflect upon the financial health of NTC. The Committee, therefore, recommend that decision on the leasehold land lying idle may be taken urgently so that the avoidable expenditure could be saved."

11. In their Action Taken Note furnished to the Committee, the Ministry of Textiles have stated as follows:

"Noted".

12. Having noted that NTC have not acted upon their recommendation on arriving at a decision on 651.29 acres of leasehold land lying idle and which results in NTC incurring expenditure on maintenance/security/wages, the Committee would like to caution NTC to wake up from their slumber and work on arriving at a decision urgently on utilisation of leasehold land lying idle so as to save on avoidable expenditure.

III. Land Under Encroachment

(Recommendation Para No. 2.46)

13. In their original recommendation, the Committee had observed as under:

"Similarly, the Committee note that 226.89 acres of land is under encroachment and after following due procedure, under the Act, eight properties/lands have been recovered from unauthorized occupants. The Committee were informed that NTC are also taking resort to legal course of action for getting property/land vacated from unauthorized occupants. The Government alongwith NTC may design an appropriate action plan to get its land back and also to dispose off its free land."

14. In their Action Taken Note furnished to the Committee, the Ministry of Textiles have stated as follows:

"All legal / administrative action as required is being taken by NTC promptly. Further, necessary action under PP Act, 1971 is also initiated by the Estate Officer, NTC as nominated through Gazette Notification dated 04.12.2017.

Further, in reply to this Para, facts mentioned in 51. No. 2 & 3 are reiterated and not repeated for the sake of brevity."

15. During the course of the examination of the subject the Committee had noted that 226.89 acres of land was under encroachment and after following due procedure under the relevant Act, right properties/lands have been recovered from unauthorised occupants. Being of the considered opinion that a lot still needs to be done in this regard, the Committee had recommended that the Government alongwith NTC may design an appropriate action plan to get its land back and also to decide on it's free land. In their action taken reply, NTC informed all legal/administrative action is being taken by NTC promptly. The Committee now want the Ministry of Textiles and NTC to come out with time bound action plan and apprise them accordingly.

CHAPTER-II
OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY
THE GOVERNMENT

(Recommendation Para No. 2.11)

The Committee note that at present the inventory of the land assets of NTC is not centralized and thus it is maintained Region-wise/Mills-wise under the control and command of Mills/Region's Head. The Committee wish a consolidated data of land holdings be maintained by the NTC. In so far as the Ministry's stance on putting all details on NTC website in concerned, the name, location, address, etc. of the running NTC mills only were found to be displayed there. They therefore, desire that from now onwards a Centralised data bank of all land assets be maintained by the NTC.

Reply of Government

It is stated that the land assets of 98 mill properties has been centralized in Govt. Portal - National Centre of Geo Informatics. The Asset Management Deptt. has consolidated data centralized form pertaining to leasehold, freehold, disputed and vacant land maintained by NTC.

The centralized database of all NTC assets has already been uploaded NTC's website i.e. www.ntcltd.org and Government land portal www.ncog.gov.in.

The Asset Management Division of NTC HO is centrally maintaining the inventory of land assets of NTC. Further it may be noted that the respective region office/sub offices is also maintaining the centralized inventory of land assets pertaining to respective region/ sub offices of NTC.

(Ministry of Textiles O.M.NO. 4/1/2017)

(Recommendation Para No. 2.13)

During evidence held on 3rd October, 2016, the Committee were informed that the draft Land Policy of NTC was under deliberation of their Board. The Committee trust that the Land Policy would have been finalised by now. A copy thereof may be furnished to the Committee.

Reply of Government

1. The land assets of NTC closed textile mills are to be utilized as per the provisions of Sick Textile Undertakings (Nationalization) Act, 1974, Swadeshi Cotton Mills Company Limited (Acquisition and Transfer of Undertakings) Act, 1986 and the Textiles Undertakings (Nationalization) Act, 1995. Accordingly, NTC has prepared a draft Land Utilization Policy.
2. The high value land assets of NTC are located in Mumbai. The development / redevelopment of cotton textile mills lands in Mumbai is governed by the local Development Control Regulation (DCR) No. 58 of DCR of 1991. The Municipal Corporation of Greater Mumbai (MCGM) had approved the Integrated Development Scheme (IDS) of 7 Mill lands in October 2004 and the entire land of 7 mills were sold.
3. Approval of IDS-II of 5 mills in Mumbai are pending before Govt. of Maharashtra (GOM) on account of issue of transfer of India United Mill No. 6 to Government of Maharashtra for the Grand Memorial of Dr. Baba Saheb Ambedkar. On transfer of India United Mill No. 6 to GOM, the approval of 5 IDS-II mills are still pending with Government of Maharashtra. Follow up is being made by NTC with Govt. of Maharashtra for expediting the approval.
4. In the meantime, GOM is intending to change the sharing ratio of entire land instead of open land by modifying the regulation 58 of Development Control Regulations of 1991 (DCR-58). The amended DCR 58 is yet to be published. NTC has already raised objections against the proposed amendment. MOT has also taken up the said issue with Govt. of Maharashtra to drop the proposed notification with respect to amendment of DCR 58.
5. Further, the Textile Undertakings (Nationalization) Law (Amendment and Validation) Act, 2014 has also been challenged by erstwhile owners before the Court of Law and the same is being defended by NTC. It is also argued that the disinvestment clauses are not applicable to the lease hold land.
6. Approval of the Cabinet is required for any sale, mortgage, lease, transfer of lease hold land vested with NTC to third party.
7. Presently NTC is under consideration of NITI Aayog for Strategic Sale and in this respect, NTC has been advised as under:-

"NTC should separate the non-core area of surplus land and identify methods for infusing private capital in the core area for modernising the 23 operational mills."

8. Land utilization policy would be finalized, after getting clarity on the above said issues and for utilization of land assets in the closed mills of NTC for consideration and approval of the Board of NTC. NTC has placed it before 380th Meeting of the Board of Directors held on 23.05.2018.

(Ministry of Textiles O.M.NO. 4/1/2017)

(Recommendation Para No. 2.18)

The Committee note that 775.44 acres of land of NTC is free from any dispute/encroachment. The Committee recommend that an action plan be drawn up positively in the next 6 months for its gainful utilisation. To start with, the NTC may draw up plan for their existing freehold land in cities like Bengaluru, Mumbai, Aurangabad, Coimbatore and Kanpur, where the land value is exorbitant, under intimation to the Committee.

Reply of Government

As given in Reply to Recommendation Para No. 2.13.

(Ministry of Textiles O.M.NO. 4/1/2017)

(Recommendation Para No. 2.27)

The Committee note that leasehold land measuring 116.70 acre and pertaining to 18 mills was sold for Rs. 407.42 crore by the NTC under Section 11 (a) of Sick Textile Undertakings (Nationalization Amendment Act 1995) which provides that if the National Textile Corporation considered necessary or expedient for the better management, modernization, restructuring or revival of a sick textile undertaking so to do, it may, with the previous sanction of Central Government, transfer, mortgage, sell or otherwise dispose of any land, plant machinery or any other assets of any of the sick textile undertakings. The Committee further note that out of the said 18 mills, lease pertaining to 8 mills was permanent/perpetual and in other cases the lease period was from 90 years to 999 years. However, as per Gazette Notification 18th December, 2014 "Notwithstanding the transfer and vesting of any sick textile undertaking to the National Textile Corporation by virtue of sub-section (2), the lease-hold rights of the sick textile undertakings shall continue to remain vested in the Central Government on payment of lease-hold rents and shall be discharged, for and

on behalf of that Government, by the National Textile Corporation as and when payment of such leasehold rents or any amount becomes due and payable". Further the Committee were informed that out of the total lease period, NTC have gainfully utilised 17-39 years of the same. The Committee are unable to comprehend the reasons why such mills were chosen for monetisation when their utilisation was fruitful, in some cases, upto 39 years. The Committee, therefore, recommend that from now onwards, whenever a decision is taken for monetisation of mills, it may be taken care of that the mills with positive productivity since long, are continued to be operated rather than sold.

Reply of Government

Noted

(Ministry of Textiles O.M.NO. 4/1/2017)

(Recommendation Para No. 2.28)

The Committee note that the leasehold land was sold as per the mandate of BIFR in accordance with the Schemes sanctioned in 2002, 2006 and 2008. They further note that during the years 2002-03, 2004-05, 2006-07 and 2007-08 the NTC have suffered loss of crores of rupees in selling the leasehold land, while the value realised during these years was minuscule, that is Rs. 0.15 crore, Rs. 13.75 crore, Rs. 0.37 crore, except Rs. 165.20 crore in 2007-08, respectively. The Committee fail to understand the undue haste in selling land at such a huge loss. They, therefore, desire that in future an action plan backed with proper study of the market value of land must be prepared by NTC before monetisation of any land.

Reply of Government

Noted for compliance.

(Ministry of Textiles O.M.NO. 4/1/2017)

(Recommendation Para No. 2.29)

The Committee find that the payment of lease rent of the mills, which were taken over by NTC at the time of their Nationalisation, was erratic. They further note that even now the NTC have stated that they are not paying lease rent in respect of certain leasehold mills due to other reasons. The Committee are of the view that not paying any lease rent would entail legal implications as the owner would at any point of time come forward for challenging the sale of such

land/handing over possession/eviction. They, therefore, recommend that the reasons due to which liability towards lease rent/arrears of lease rent is accumulating, must be addressed without losing any time so that the same is discharged by NTC urgently. The Committee desire to be apprised of the status of pending lease rent at action taken stage.

Reply of Government

Status of lease rent paid by NTC-SRO-

There is no leasehold property in SRO except New Minerva Mills, Karnataka for which annual lease rent of Rs. 40,000 per acre and annual maintenance charges of Rs. 1,20,300 per acre is being paid regularly to Karnataka Industrial Area Development Board.

Status of lease rent paid by KTC-WRO-

The lease rent is being paid regularly except for those properties which are under litigation or other encumbrances.

Status of lease rent paid by NTC Sub Office, Gujarat, Ahmedabad.

The lease rent is being paid regularly except for those properties which are under litigation or other encumbrances.

Status of lease rent paid by NTC Sub Office, Indore.-

Sub Office, Indore is regularly paying lease rent of leasehold properties under it except for those properties for which it was not feasible to pay due to litigation and ownership issue.

Status of lease rent paid by NTC Sub Office, Kanpur.-

In respect of Mills under Sub Office, Kanpur the decision of the Competent Authority based on the Legal opinion for payment of lease rent in respect of all the leasehold properties vested with NTC Sub office, Kanpur has been issued to implement the same.

Status of lease rent paid by NTC Sub Office, Udaipur-

In respect of six Mills under DPR, Udaipur Cotton Mills is the only Mill having 3.22 acres of leasehold land and the decision of the Competent Authority based on the Legal opinion for payment of lease rent in respect of all the leasehold properties vested with NTC Sub Office, Udaipur has issued to implement the same.

(Ministry of Textiles O.M.NO. 4/1/2017)

(Recommendation Para No. 2.45)

The Committee are extremely perturbed to note that out of the 1508.95 acres of disputed land (124.41 acres – leasehold and 1384.54 acres – freehold), NTC have been able to get only 109.47 acres of land freed during the last 49 years

and the rest is at various stages of litigation. The Committee feel that special efforts by NTC are required in freeing the land. They therefore, feel that concerted efforts particularly by the legal department of NTC are required to be made, else with the present pace, it might take another 50-60 years to get back the land.

Reply of Government

The information relating to disputed lease hold and free hold land is factually correct. This is to inform that out of 196 land cases, approximately 10%-15% of land cases have not come up for hearing for more than one year. The reason for not following up by NTC are as under:-

- 1) Possession is with NTC.
- 2) Although being the petitioner, opposite party is not pursuing the case for their presumed claims/rights.
- 3) In some cases, NTC is only a proforma party.

NTC aggressively following up all the legal cases. As a result many cases have been decided in favour of NTC. Presently 6 cases relating to land are pending in Hon'ble Supreme Court & High Court of Delhi. In the recent past three major land related cases have been disposed of including the Poddar Matter, wherein the lease hold interest of Union of India in the subject premises have been protected by the Hon'ble Supreme Court. Major land related cases barring few have been concluded. Further, it is informed that with regard to cases in Bombay High Court and Small Causes Courts the same are being followed up regularly.

Recently also letters have been issued to the concerned advocates for making sure that an early hearing application is filed for quick disposal of cases and also to make sure that the cases are heard by the courts on regular basis. Further, legal committee consisting of CMD, D(HR) under the Chairmanship of one Independent Director has been constituted to review the legal cases, the meeting of legal committee is being held periodically for proper and efficient monitoring of the cases.

This is to inform that in the matter of NIC vs. Manju Rani Majumdar the property is in NTC's possession. Further, NIC has approached a law firm for filing an application for early hearing and closure of the case.

(Ministry of Textiles O.M.NO. 4/1/2017)

(Recommendation Para No. 2.48)

The Committee note that in the case of Nanded Textile Mills, Maharashtra, the land could be got released with the help of Police. But the same has again been encroached upon despite deploying security to protect it from further encroachment. As per the submission of NTC, encroachment being a repeated activity, their efforts do not succeed. The Committee were informed during evidence that a software is under formulation, by which NTC may get SMS alert about the encroachment. The Committee therefore, desire that the software be developed and tested for its earliest implementation, and that NTC must initiate action immediately after receiving the SMS alert, otherwise the exercise would not be fruitful.

Reply of Government

Efforts were made through Dept of Electronics & Information Technology (E&IT) to develop a software for NTC to protect its assets through monitoring via satellite images. The software developed by Bhaskaracharya Institute of Space Application and Geoinformatics (BISAG) under auspices of E&IT is being utilized by Committee at NTC Head Office for monitoring of satellite images. However, it is revealed that it would not be possible to have satellite images through cartosat satellite having lesser resolution because of the huge cost involved in obtaining the satellite images. However, at the same time NTC has decided that it will protect the land assets through deployment of guards and erection of boundary wall on required basis and also to carry out necessary repairs of periphery from time to time.

(Ministry of Textiles O.M.NO. 4/1/2017)

(Recommendation Para No. 2.49)

The Committee note that in one case, 4.53 acres of land belonging to MSK Mills was notified as 'Slum' by Deputy Commissioner, Gulbarga on 21.01.2011. The Committee are astounded to note that the NTC had filed an objection to the said notification before the same Deputy Commissioner, who had issued final Notification on 21.10.2011 without giving any opportunity to NTC. Aggrieved by this order, NTC filed a Writ Petition in the High Court of Karnataka in 2014. The High Court granted interim stay and ordered to stop further construction. Status quo is still continuing and the case is yet to be listed. The Committee are disappointed to note the handling of the matter by the NTC as firstly, they approached the Dy. Commissioner against his own orders rather than approaching the higher authority. Secondly the WP was filed 3 years later,

giving ample time to the Dy. Commissioner to execute his orders. After passage of almost 3½ years, the case is yet to be listed. The Committee are of the view that the lack of timely action by the legal department of NTC was the reason for delay in the matter. They opine that each case require proper monitoring and prompt action, which is lacking in NTC. They, therefore, recommend that their legal department must be strengthened and its performance to deal with the current cases monitored at the highest level.

Reply of Government

1. MSK Mills, Gulbarga received the said notification dated 21.01.2011 issued by Deputy Commissioner, Gulbarga on 30.09.2011.
2. MSK Mills, Gulbarga immediately submitted its reply dated 01.10.2011 to Deputy Commissioner, Gulbarga objecting to its proposed action and review its decision which was rejected by the Dy. Commissioner, Gulbarga vide notification dated 21.10.2011. It is pertinent to mention here that application for review is filed before the same authority therefore, it was filed before Dy. Commissioner, Gulbarga.
3. MSK Mills, Gulbarga received the Final Gazette Notification from Deputy Commissioner, Gulbarga on 21.10.2011 declaring 4.53 acres of land including buildings in Sy. No. 18/1-2 of Hirapur Village, Gulbarga as Slum area under section 3 (1) and 11 of The Karnataka Slum Areas (Improvement & Clearance) Act, 1973.
4. A Complaint dated 10.12.2012 regarding encroachment on land belonging to MSKMills situated in Sy. No. 18/1-2 of Hirapur Village, Gulbarga was lodged by Officer In-charge of MSK Mills, Gulbarga to The Circle Inspector, Gulbarga and copy was given to The Mayor of Gulbarga, Superintendent of Police, Commissioner of City Corporation, Gulbarga stating that MSK Mills belongs to NTC Limited which is a Govt. of India Undertaking and that the land is Govt. property. Therefore, it was requested to prevent illegal digging of mill land and to take suitable action against trespassers.
5. A letter dated 24.12.2012 was received by MSK Mills, Gulbarga from Mayor, Gulbarga MahanagaraPalike that it has undertaken construction of public toilets on the land in Sy. No. 18/1-2 belonging MSK Mills, Gulbarga.

6. The Estate Officer of NTC, SRO issued an order dated 27.12.2012 sealing the entire unauthorized structure being put up on the land belonging to MSKMills, Gulbarga.
7. The Gazette Notification issued by Dy. Commissioner was also challenged by filing Writ Petition bearing W.P. No. 41-42/2014 filed on 02.01.2014 in the High Court of Karnataka challenging the Notification dated 21.10.2011 issued by Deputy Commissioner, Gulbarga declaring 4.53 acres of land including buildings in Sy. No. 18/1-2 of Hirapur Village, Gulbarga as Slum area. The Hon'ble High Court of Karnataka has granted an interim order to maintain status quo to the concerned authorities on 03.01.2014. The interim order of stay, notice copies were served to Karnataka Slum Clearance Board and Gulbarga Mahanagar Palika. NTC had also made the copy of the interim order of the High Court available to the above authorities and as such further construction was stopped.
8. The above action shows that Southern Regional Office, NTC was taking all available action to prevent unauthorized occupants from the land of corporation.

Further, a legal committee consisting of CMD, D(HR) and one Independent Director has been constituted to review the legal cases, the sitting of which is being held periodically for proper and efficient monitoring of the cases. NTC appointed total 09 Law Officers since December 2015, out of which one law officer has resigned and one law officer has been transferred to Vigilance Department of NTC.

(Ministry of Textiles O.M.NO. 4/1/2017)

(Recommendation Para No. 2.50)

The Committee note that there are 10 cases where the land has been acquired by the respective State Governments. Out of those 10 cases, the amount of compensation has been received in respect of 7 cases. In the case of Savatram Ramprasad Mills, Akola (plot near river Morna) Hon'ble High Court vide order dated 25.10.12 directed the acquiring body to deposit the amount in the court. The NTC were allowed to withdraw 75% of amount after furnishing security. The Committee further note that NTC have not withdrawn the money till date citing the reason that 'the amount deposited with the court is already invested in Fixed Deposit by the court thereby earning interest at the rate, prevailing at that point of time for the period as applicable and the same will accrue to NTC.

Submission of Bank Guarantee (BG) would have had financial implication as the Bank charges BG commission, therefore, based on the legal advice, NTC decided not to withdraw the money against BG'. Further in regard to Indu Mill, TDR worth Rs. 1413.48 crore has been received but yet to be realised. The Committee, therefore, recommend that both the cases be assessed earnestly again by the NTC from the point of view of their financial requirements and the compensation be withdrawn/realised at the earliest.

Reply of Government

In this case, a plot near river Morna owned by SavatramRamprasad Mills Akola, admeasuring about 0.08 acres of land was acquired by Collector Akola under Land Acquisition Act for public utility (construction of bridge) .The Mill filed an Application before the High Court for modification of order dated 25.10.2012 which was allowed by the High Court and now NTC is furnishing the formalities to get the amount without giving the Bank guarantee. It is pertinent to mention here that the Hon'ble Court by order dated 03.08.2017 has dismissed the appeal filed by State of Maharashtra &Anr. However, as per request of Ld. AGP 12 weeks time was granted to enable the acquiring body to approach Hon'ble Supreme Court. The Mill filed an application for withdrawal of the amount along with interest. An amount of Rs.1,02,50,805/- has been received.

With regards to Indu Mills, it is informed that a committee has been constituted with the approval of NTC Board for this purpose comprising of CMD, NTC Ltd. as Chairperson, 02 Independent Director, NTC as Member, two representatives from MMRDA, nominee of GOM and Director (Finance) as Convener for this purpose. Three meetings of the committee have been held on 22.02.2018,17.03.2018 and 18.04.2018 and the tender document for appointment of consultant has been approved for sale of TDR.

(Ministry of Textiles O.M.NO. 4/1/2017)

(Recommendation Para No. 2.51)

"The Committee find that the NTC do not have any data about any land that may have been grabbed by land mafia and they are treating it as the land under encroachment. The Committee opine that this could be a result of absence of a centrally maintained land inventory. They therefore, recommend that NTC must take steps to see that their land, if any grabbed by the land mafia, is identified and thereafter, process for its recovery be initiated. The Committee apprehend that there may be such land where it has been grabbed

when the Mills were closed long back or when the NTC had gone under BIFR. The Committee therefore, recommend that NTC may thoroughly check the land inventory and match the same with the records available with the concerned State Governments."

Reply of Government

"The details of land under encroachment is the same as given in the Thirtieth report of "Land Assets Management in NTC" at (page 97-102). Further, there is no change in the details of land under encroachment given therein."

(Ministry of Textiles O.M.NO. 4/1/2017)

(Recommendation Para No. 2.56)

The Committee note that 1508.95 acres of land is under dispute for various reasons including encroachment. They further note that 140 cases are pending in various courts and are at different stages for years together. The Committee are astounded to note that in the case of NTC Vs. Smt. Manju Rani Majumdar case the suit was filed against wrongful occupier of Sodhpur Cotton Mills land in which the last hearing was held on 11.03.2005 and thereafter the matter has not come up for hearing. Further the defendant had vacated the occupied area and the suit is required to be withdrawn when the matter appears on board. The Committee opine that since the defendant had already vacated the land, the NTC could have requested for early disposal of the case. However, no action is appeared to have been taken by the NTC. They, therefore, desire that the legal department of NTC may take urgent necessary action to get hold of the land.

Reply of Government

The information relating to disputed lease hold and free hold land is factually correct. This is to inform that out of 196 land cases, approximately 10%-15% of land cases have not come up for hearing for more than one year. The reason for not following up by NTC are as under:-

- 1) Possession is with NTC.
- 2) Although being the petitioner, opposite party is not pursuing the case for their presumed claims/rights.
- 3) In some cases, NTC is only a proforma party.

NTC aggressively following up all the legal cases. As a result many cases have been decided in favour of NTC. Presently 6 cases relating to land are pending in Hon'ble Supreme Court & High Court of Delhi. In the recent past three major land related cases have been disposed of including the Poddar Matter, wherein the lease hold interest of Union of India in the subject premises have been protected by the Hon'ble Supreme Court. Major land related cases barring few have been concluded. Further, it is informed that with regard to cases in Bombay High Court and Small Causes Courts the same are being followed up regularly.

Recently also letters have been issued to the concerned advocates for making sure that an early hearing application is filed for quick disposal of cases and also to make sure that the cases are heard by the courts on regular basis. Further, legal committee consisting of CMD, D(HR) under the Chairmanship of one Independent Director has been constituted to review the legal cases, the meeting of legal committee is being held periodically for proper and efficient monitoring of the cases.

This is to inform that in the matter of NIC vs. Manju Rani Majumdar the property is in NTC's possession. Further, NIC has approached a law firm for filing an application for early hearing and closure of the case.

(Ministry of Textiles O.M.NO. 4/1/2017)

(Recommendation Para No. 2.57)

The Committee note that the last hearing in the case of Raju Lokhande, Prop., Chetna Traders, Nagpur Vs. Union of India and others, WP No. 2931/2004 regarding execution of Sale deed or return of the EMD with 18% interest, was held on 06.05.2005. Thereafter, the matter has not come up for next hearing. The Committee further note that the Principle EMD had been returned as per the Hon'ble High Court order dated 06.05.2005 by way of interim relief. Further, the Committee, after close scrutiny, find that in the matter of other court cases, the NTC have started pursuing them only after this Committee have taken up the subject. The Committee are of the view that not taking up the matter upto the appropriate level is leading to financial loss to the NTC in terms of payment to the advocates on the one hand and on the other, had the sale proceeds been received by NTC, that could have been utilised for revival/modernisation. The Committee, therefore, recommend that NTC and the Ministry of Textiles may draw an action plan to work in mission mode and also if need be, Ministry of Law and Justice be involved for a separate

designated bench for hearing the cases relating to the NTC on urgent and regular basis.

Reply of Government

The matter of RajuLokhande, Prop., Chetna Traders, Nagpur vs. Union of India and others, WP NO. 2931/2004 was with regard to execution of Sale Deed or return of the HMD with 18% interest. NTC has already returned the principal HMD of Rs. 1,05,000/- as per High Court Order dated 06.05.2005. (HMD was forfeited due to non performance of tender conditions i.e. to pay the purchase value around Rs.40,07,577/-, which was not paid in the stipulated time given in the tender). Now, the matter has been disposed of by Hon'ble Bombay High Court (Nagpur Bench) on 06.04.2018. As per the order the claim of petitioner for interest has been dismissed. Since, the case was filed by the opposite party and they were claiming interest as such it was not in the interest of NTC to spend money on account of early listing of case. There are no financial losses to NTC in terms of payment to the advocates as the matter was not getting listed.

Since, there was no sale as such the proceeds could not be utilized for revival/modernization.

(Ministry of Textiles O.M.NO. 4/1/2017)

(Recommendation Para No. 2.67)

The Committee note that the NTC have not gone into appeal. The Committee take note of C&AG Report No. 21 of 2015. The Committee feel that such type of out of court settlements needs in depth study and its implications in total/ all mills land of NTC and its disposal off prices. The Committee, therefore, recommend that such cases must be dealt with solely in accordance with the provisions of Act.

Reply of Government

Noted for strict compliance.

(Ministry of Textiles O.M.NO. 4/1/2017)

(Recommendation Para No. 2.72)

The Committee note that NTC Board in its meeting held on 4th December, 2008 approved the switchover of the project at Beawar, Rajasthan to manufacturing of technical textiles. However, after conducting study and preparation of DPR, the proposal was not found feasible due to scarcity of

water in that area. The Committee wonder that if there was any planning of NTC before the decision to set up the technical textile unit, why the decision was taken without a feasibility check. The Committee, therefore, desire that in future thorough survey should be conducted before any decision is taken.

Reply of Government

NTC Board in its meeting held on 4th December 2008 approved the switchover of the project at Beawar, Rajasthan to manufacture technical textile. However, after conducting study and preparation of DPR, the proposal was not found to be feasible. In future, feasibility check would be done before submitting the project.

Noted for compliance.

(Ministry of Textiles O.M.NO. 4/1/2017)

(Recommendation Para No. 2.73)

The Committee find that after the said decision was taken in 2008, which was later dropped due to non-feasibility, almost 9 years have passed and the use of the land has still not been finalized. This is tantamount to waste of public resources. They therefore, recommend for speeding up of the decision making process in NTC.

Reply of Government

Noted for compliance.

(Ministry of Textiles O.M.NO. 4/1/2017)

(Recommendation Para No. 2.74)

The Committee now note that the NTC are in the process of finalization of an MoU/Agreement with SITRA for production of sanitary napkins, a technical textile product, for which manufacturing capacity is available with SITRA. The Committee desire that the pre-requisites of the MoU/Agreement be finalized early so that the Udaipur Mills assets could be gainfully utilized.

Reply of Government

NTC apprised that MDRS was approved by Board and forward to MoT, which was not approved by Competent Authority. Hence, NTC had not moved in this proposal.

(Ministry of Textiles O.M.NO. 4/1/2017)

CHAPTER-III

OBSERVATIONS/ RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLY

NIL

CHAPTER-IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

(Recommendation Para No. 2.12)

The Committee note that during the year 2016 the Government had constituted a Committee for framing Guidelines on Asset Management to be followed by each of the Public Sector Units (PSU). Based on the Guidelines, an Action Plan was required to be prepared by each of the PSU. The Committee have been informed by NTC that they have received Guidelines on Capital Restructuring, from DIPAM (Ministry of Finance). NTC has to take decision on the Guidelines to be issued by the said Government Committee formed by the Department of Economic Affairs, Ministry of Finance, on asset management. The Committee desire to know about the action NTC has taken after receipt of the Guidelines. Further they desire to be apprised of whether the Guidelines on asset management have since been issued by the said Government Committee and if so, NTC should start preparing an action plan accordingly without delay. They desire to be furnished with the status on the matter at the action taken stage.

Reply of Government

"Guidelines on Capital Restructuring have circulated by Ministry of Finance, Department of Investment and Public Asset Management (DIPAM) dated 27-05-2016. The said guidelines pertain to payment of dividend, bonus shares, buyback & splitting of shares.

NTC was implementing Modified Scheme (MS - 08) at a total cost of Rs. 9102.72 crores duly approved by Hon'ble BIFR vide its order dated 04.9.2008. The implementation period of the modified scheme was extended up to 31.03.2012. Despite the fact that NTC has yet to make sustainable operational profits, BIFR vide its order dated 20.10.2014 directed that M/s NTC Ltd. has ceased to be a sick industry company, within the meaning of section 3(1)(0) of SICA as its net worth has turned positive. Hence, NTC was discharged from the purview of SICA/BIFR.

AAIFR (Appellate Authority for Industrial and Financial Reconstruction) vide its order dated 17.01.2016 directed that all the unimplemented provisions of MS -

08 needs to be implemented by all concerned under the supervision of BIFR. As NTC has earned profits during F.Y. 2015-16 & F.Y. 2016-17 but as still having huge carried forward losses, payment of dividend is not applicable till its turnaround in a near future. As far as guidelines about bonus shares, buy back & splitting of shares are concerned. President of India is the majority shareholder (i.e. 99.76%) of NTC. These are not applicable on NTC."

(Ministry of Textiles O.M.NO. 4/1/2017)

(Recommendation Para No. 2.17)

The Committee note that in their land bank, the NTC has 2,650.93 acres of freehold land, out of which 2,106.06 acres land is lying idle. They further note that NTC is incurring an expenditure of Rs. 3153.41 lakh per annum towards maintenance/security of the land. The land utilisation policy of NTC is stated to be under finalisation. The Committee are concerned to note that on the one hand the NTC are selling their land to overcome their past burden and revive/modernise the Mills for their survival and on the other hand they are spending a very large amount annually on maintenance of land, which is lying idle, due to non-finalisation of their land utilisation policy. The Committee are of the view that being a Board run Company, NTC must take decisions fast, albeit subject to ratification as needed from the Competent Authority, so as to avoid any unfruitful expenditure. The Committee therefore, recommend that the Land Utilisation Policy may be finalised at the earliest so that the land identified for sale or otherwise could be decided upon.

Reply of Government

Noted

(Ministry of Textiles O.M.NO. 4/1/2017)

(Recommendation Para No. 2.30)

The Committee note that out of 960.85 acres of leasehold land, 651.29 acres of land is lying idle and the NTC are spending Rs. 3153.41 lakh annually on both the freehold and leasehold lands lying idle for its maintenance/security/wages etc. The Committee opine that such a huge amount being spent on maintenance of idle leasehold land is bound to reflect upon the financial health of NTC. The Committee, therefore, recommend that decision on the

leasehold land lying idle may be taken urgently so that the avoidable expenditure could be saved.

Reply of Government

Noted.

(Ministry of Textiles O.M.NO. 4/1/2017)

(Recommendation Para No. 2.46)

Similarly, the Committee note that 226.89 acres of land is under encroachment and after following due procedure, under the Act, eight properties/lands have been recovered from unauthorized occupants. The Committee were informed that NTC are also taking resort to legal course of action for getting property/land vacated from unauthorized occupants. The Government alongwith NTC may design an appropriate action plan to get its land back and also to dispose off its free land.

Reply of Government

All legal / administrative action as required is being taken by NTC promptly. Further, necessary action under PP Act, 1971 is also initiated by the Estate Officer, NTC as nominated through Gazette Notification dated 04.12.2017.

Further, in reply to this Para, facts mentioned in 51. No. 2 & 3 are reiterated and not repeated for the sake of brevity.

(Ministry of Textiles O.M.NO. 4/1/2017)

CHAPTER-V

OBSERVATION/RECOMMENDATION IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT ARE INTERIM IN NATURE

(Recommendation Para No. 2.43)

From the examination of the information furnished to them on the NTC land under dispute, the Committee observe that in many cases, the disputes pertain to encroachment by unauthorized occupants either since pre-Nationalisation or thereafter by the ex-workers of the closed mills or others. The Committee, therefore, desire that NTC should now focus on a way-out for their resettlement in consultation with the competent State authorities so that the prime land of NTC Mills in areas like Greater Mumbai does not continue under encroachment. Moreover, as the Company is also in need of such land to take up their revival/modernisation plans gainfully forward.

Reply of Government

In order to free land from unauthorized encroachment and occupation, the Estate Officers which are duly appointed under the Gazette Notification are exercising their duties under Public Premises (Eviction of unauthorized occupations) Act 1971. Further local assistance of Civil Police and District Administration is also obtained to evict such unauthorized occupants. Legal remedy is also availed in courts of law for this purpose in order to secure and safeguard the land of NTC.

(Ministry of Textiles O.M.NO. 4/1/2017)

(Recommendation Para No. 2.44)

The Committee note that in one case, 0.17/0.15 acres of leasehold/freehold land belonging to Savatram Ramprasad Mills is under unauthorized occupation by shops. The Committee believe that those unauthorized occupant might not be the ex-workers of the said Mill. In such a scenario, the Committee have reasons to believe that appropriate and timely action may not have been taken to secure the land from encroachment. They therefore, recommend that suitable action with the help of local authorities be taken up urgently to get the land vacated and also timely action be taken to revive/dispose off the mill once decided.

Reply of Government

The matter of Savatram Ramprasad Mills, Akola land admeasuring about 0.17 acres of land is related to the 41 shops on the mills owned land. The possession of seven (07) shops has been secured by NTC. However, in these seven (07) shops four (04) shops are free from any encumbrances and for rest of 03(three) shops two SLPs with No. 34119 / 2013 (Civil Appeal 9700/2014) & 103 / 2014 (Civil Appeal 9704/2014) are pending in Hon'ble Supreme Court. For rest of 34 shops the proceedings under P.P. Act 1971 was also started by the Estate officer who issued the order of eviction against unauthorized occupants. The opposite parties challenged the notices in District Court. The District Court passed order against the NTC I Mill. Aggrieved by that order. Mill I NTC challenged the order in Bombay High Court, Nagpur Bench. The High Court rejected the appeal of NTC in relation to the shop No. 24(1 out of 34 shops). Due to that, NTC I Mill challenged that order in Supreme Court of India vide SLP No. 608412007 (Civil Appeal No. 751 of 2008) and which was tagged with the above mentioned two SLPs, The 3 SLPs which were renumbered as Civil Appeals No. 751 of 2008, Civil Appeal No. 9700 12014 and Civil Appeal No. 970412014 were disposed of by the Supreme Court vide its order dated 20.08.2018. The Supreme Court held that the proceedings be held at Akola that being the proper place for deciding the proceedings under the Act as the public premises are at Akola.

The rest six (6) writ petitions in relation to 33 shops were adjourned sine-die in view of pendency of SLP involving similar nature of dispute. However, in view of the aforesaid SLP being disposed of, NTC is taking appropriate steps with regard to the pending writ petitions before Bombay High Court.

The mill area admeasuring about 0.15 acres is in possession of 3 persons. Against these three persons the Estate Officer issued eviction order under Public Premises Act which were challenged by them in District Court and the District Court allowed the appeal against the NTC which were again challenged in High Court of Bombay, Nagpur Bench vide W.P. No. 4098 I 2007. This writ petition is pending for final hearing.

(Ministry of Textiles O.M.NO. 4/1/2017)

(Recommendation Para No. 2.47)

The Committee note that 1.32 acres of land in Udaipur, Rajasthan has been occupied by ITI, Women Polytechnic and others. They further note that the NTC's efforts are confined to writing letters to the District Magistrate,

Secretary, Urban Improvement Trust (UIT) and Tehsildar, Tehsil Girwa (Udaipur) for updating the revenue records. As the same is hardly bearing fruit, the Committee opine that this case warrants further efforts to reach the concerned State Government at a higher level. They therefore, desire that NTC may present their case strongly otherwise they would end up losing the land in favour of the above mentioned illegal occupants.

Reply of Government

Noted for compliance.

(Ministry of Textiles O.M.NO. 4/1/2017)

(Recommendation Para No. 2.66)

The Committee note that Shree Madhusudan Mills, Mumbai was taken over under the Textiles Undertaking (Taking over of Management) Ordinance, 1983 which was substituted by Textile Undertaking (Taking over of Management) Act, 1983. Later on the Company was declared sick and referred to BIFR in the year 1993. Meanwhile, the Textile Undertaking (Nationalisation) Act, 1995, came into force and the assets of the Mills were vested with the Central Government and NTC. BIFR approved a revival plan of the Company in the year 2002 and the Madhusudan Mills were declared unviable and the assets of the Mill were to be sold under the BIFR Scheme. The Committee find that till the BIFR recommended for selling the assets of Shree Madhusudan Mills, the erstwhile owners viz. M/s Hall and Andersons were nowhere. They came into picture only in the year 2005 by the time the Act was in place and as per the provisions of the Act all the assets of the Mills were vested with the Central Government and NTC. The Committee note that under Section 39(c) of the Act “no suit or other proceedings shall, without prejudice to the generality of the foregoing provisions, be maintained or continued in any court or tribunal or authority for the enforcement of any decree or order or direction given by such court or tribunal or authority, notwithstanding any undertaking filed by the National Textile Corporation in any court or tribunal or authority, directing divestment of such lease-hold property from the National Textile Corporation vested in it under section 3 of this Act, as it stood before the commencement of the Textile Undertakings (Nationalisation) Laws (Amendment and Validation) Act, 2014 (36 of 2014), and such lease-hold property shall continue to vest in the National Textile Corporation under section 3 of this Act, as amended by the aforesaid Act, as if the said section was in force at all material times”. The Committee are aware that presently the case is under investigation by the CBI. They desire to be kept informed of the outcome of the case.

Reply of Government

Noted.

(Ministry of Textiles O.M.NO. 4/1/2017)

(Recommendation Para No. 2.77)

The Committee note that out of the 92 showrooms of NTC, 19 are presently under litigation. The Committee note that out of the 19 cases under litigation, 7 are pertaining to enhancement of rent by the landlord. They further note that the NTC are paying a hefty amount on legal formalities in respect of those cases which are running since last several years. They further note that in some cases the NTC are not even aware of the charges they have paid towards legal formalities. The Committee further note that in 10 cases, the respective landlords have filed eviction cases against the NTC for personal use. They further note that in all these 10 cases, the rent paid by NTC is few hundred rupees only. The Committee feel that Ministry and NTC may appoint an expert Committee to come out with a reasonable solution.

Reply of Government

With reference to 19 showrooms under litigation, it is submitted that at present 15 cases are pending. Most of the litigations have been initiated by the Landlord itself for either exorbitant increase in the rent or for eviction of the stores. It is pertinent to mention that the performance of these stores is not up to the standard to meet the exorbitant increase as required by the owners. Further, NTC is also in process of launching domestic men's wear brand 'Indian Republic' in some of these stores.

However, as directed, by ED(Marketing) an expert committee of officers from Region as well as Head Office of NTC shall be formed to study in detail the litigation status of all the above stores and submit a detailed proposal to the management of NTC for decision making. Further, this committee shall also monitor any litigation w.r.t. showrooms which may arise in future.

(Ministry of Textiles O.M.NO. 4/1/2017)

**New Delhi;
11th February, 2019
22nd Magha, 1940 (Saka)**

**DR. KIRIT SOMAIYA
CHAIRPERSON,
STANDING COMMITTEE ON LABOUR**

STANDING COMMITTEE ON LABOUR

(2018-19)

Minutes of the Thirteenth Sitting of the Committee

The Committee sat on Monday, the 11th February, 2019 from 1030 hrs. to 1100 hrs. in Room No. 95-A, Chairperson's Chamber, Parliament House, New Delhi.

PRESENT

Dr. Kirit Somaiya – CHAIRPERSON

MEMBERS

LOK SABHA

2. Shri Devajibhai Govindbhai Fatepara
3. Shri Kaushalendra Kumar, MP
4. Shri Hariom Singh Rathore, MP
5. Shri Naba Kumar Sarania, MP
6. Dr. Arun Kumar, MP
7. Shri C.N. Jayadevan, MP

RAJYA SABHA

8. Shri Ram Narain Dudi, MP
9. Shri N. Gokulakrishnan, MP
10. Shri Madanlal Saini, MP
11. Dr. Banda Prakash, MP

SECRETARIAT

- | | | | |
|----|----------------------|---|---------------------|
| 1. | Ms. Rimjhim Prasad | - | Joint Secretary |
| 2. | Shri P.C. Choulda | - | Director |
| 3. | Shri C. Vanlalruata | - | Additional Director |
| 4. | Shri Kulvinder Singh | - | Under Secretary |

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee, convened for consideration and adoption of the following draft Reports:

- | | | | | |
|-------|--|----|----|----|
| (i) | XX | XX | XX | XX |
| (ii) | Draft Report on the Action taken by the Government on the Observations/ Recommendations of the Committee contained in their Thirtieth Report (Sixteenth Lok Sabha) on Land Assets Management in National Textile Corporation (NTC) pertaining to the Ministry of Textiles; | | | |
| (iii) | XX | XX | XX | XX |
| (iv) | XX | XX | XX | XX |
| (v) | XX | XX | XX | XX |

3. The Committee took up the Draft Reports one by one for consideration/ adoption and adopted the same without any addition/ modification.

4. The Committee then authorized the Chairperson to finalise the Reports in the light of consequential changes that might arise out of factual verification of the draft Report on 'Guidelines, Monitoring, Rating and Regulatory System, Status of Investment in Bonds and such Instruments - (Example of Infrastructure Leasing & Financial Services (IL&FS) by PF Funds, Pension Funds' and present the same to both the Houses.

The Committee then adjourned.

XX Does not pertain to this Report.

APPENDIX-II

(Vide Para No. 3 of the Introduction)

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON
RECOMMENDATIONS CONTAINED IN THE THIRTIETH REPORT OF THE
STANDING COMMITTEE ON LABOUR (SIXTEENTH LOK SABHA)**

	Total	Percentage
I. Total number of Recommendations	26	
II. Observations/Recommendations which have been accepted by Government (Recommendation Para. Nos. 2.11, 2.13, 2.18, 2.27, 2.28, 2.29, 2.45, 2.48, 2.49, 2.50, 2.51, 2.56, 2.57, 2.67, 2.72, 2.73 and 2.74	17	65.38%
III. Observations/Recommendations which the Committee do not desire to pursue in view of Government's replies - Nil	00	00%
IV. Observations/Recommendations in respect of which Government's replies have not been accepted by the Committee and which requires reiteration – Recommendation Para Nos. 2.12, 2.17, 2.30 and 2.46	04	15.38%
V. Observations/Recommendations in respect of which replies of Government are of interim in nature- Recommendation Para Nos. 2.43, 2.44, 2.47, 2.66 and 2.77	05	19.24%
		----- 100% -----