

**TEXTILE WORKERS' REHABILITATION FUND SCHEME (TWRFS)**

**1. Introduction**

In accordance with para 18.7 of Textile Policy of June 1985, the Government of India formulated the Textile Workers' Rehabilitation Fund Scheme, which came into force with effect from **15<sup>th</sup> September 1986**. The objective of the TWRFS is to give interim relief to the workers rendered jobless due to permanent closure of the mills. Relief under the scheme is available only for three years on a tapering basis, 75% of the wage equivalent in the first year, 50% in the second year and 25% in the third year. The mills closed on or after 5.6.1985 are covered under TWRFS. This scheme is not applicable to the State/Central Govt. Public Sector Undertakings and the textile units in the co-operative fold of the State/Central Govt.

**2. ELIGIBILITY:**

**i) Textile Units:**

- 1) This Scheme applies to such textile unit, which is either licensed under Industries (Development & Regulation) Act, 1951, or registered with the Textile Commissioner as medium scale unit.
- 2) Such unit should have been completely closed, meaning that its production had come to a complete grinding halt after **05.06.1985**.
- 3) In addition, such a unit should have been declared as closed unit under Section 25(O) of the Industrial Disputes Act, 1947, or alternatively an Official Liquidator was appointed under Companies Act, 1956, for the purpose of winding up of the unit.
- 4) An illegal strike by workmen, as defined in the Industrial Disputes Act, 1947, leading to the closure of the mills either under Section 25(O) of the said Act, 1947, or by an Order of the High Court upon which an Official Liquidator is appointed, would not entitle the workmen to relief under the Scheme.
- 5) The TWRFS Scheme is also made applicable to cases of partial closure on a case-to-case basis. The cases of partial closure are restricted to those wherein the State Governments recommend that an entire uneconomic activity (like weaving or processing) is scrapped as a part of rehabilitation package for a sick/weak mill (as per the RBI definition) approved by the Nodal Agency/ BIFR provided the scrapped capacity is surrendered for cancellation and endorsement is made on the License/Registration certificate to this effect.

**ii) Eligible workers:**

All workmen including permanent, badli or casual, who has been in continuous service for five years or more before the closure of the mill employed in such closed mill on the date of closure, figuring in the records of the Regional Provident Fund Commissioner and earning wage equivalent upto Rs.2500/- per month or less in respect of the eligible textile mills closed before **01.04.1993** or wage equivalent up to Rs.3500/- per month or less in respect of eligible textile units which are closed on or after 01.04.1993, will be eligible for the benefit of the Scheme provided the workmen were not on illegal strike and the mill's closure was not due to the fault on the part of the workmen.