

TEXTILES (CONTROL) ORDER, 1986

CONTENTS

PART 1 :- PART

1. Short title, extent and commencement
2. Repeal and saving
3. Definitions

PART 2 :- PART

4. Spinning and knitting machines
5. 5
6. 6
7. 7
8. 8

PART 3 :- PART

9. Powerlooms
10. 10
11. 11
12. 12
13. 13
14. 14

PART 4 :- PART

15. Miscellaneous
16. 16
17. 17
18. 18
19. 19
20. 20
21. 21
22. 22
23. 23

PART 5 :- PART

24. 24
25. 25
26. 26
27. 27
28. 28
29. 29

TEXTILES (CONTROL) ORDER, 1986

Notification No. 8/37/85-TPC, dated 2nd April, 1986. 1 -In exercise of the powers conferred by Sec. 3 of the Essential Commodities Act, 1955 (10 of 1955), the Central Government hereby makes the following Order, namely :

PART 1

PART

1. Short title, extent and commencement :-

(1) This Order may be called the Textiles (Control) Order, 1986.

(2) It extends to the whole of India.

(3) It shall come into force on the date of its publication in the Official Gazette.

2. Repeal and saving :-

The following Order issued under Sec. 3 of the Essential Commodities Act, 1955 (10 of 1955) are hereby repealed:

(1) The Cotton Textiles (Control) Order, 1948 .

(2) The Textiles (Production by Powerlooms) Control Order, 1956.

(3) Art Silk Textiles (Production and Distribution) Control Order, 1962.

(4) The Woollen Textiles (Production and Distribution) Control Order, 1962.

(5) The Textiles (Production by Knitting, Embroidery, Lace Making and Printing Machines) Control Order, 1963: Provided that any Order made, notification issued, right accrued, penalty incurred or anything done or deemed to have been done under the Orders so repealed, shall be deemed to have been made, issued, accrued, incurred or done under the corresponding provisions of this Order.

3. Definitions :-

In this Order, unless there is anything repugnant in the subject or context:

(1) "appellate authority" means the officer of the State Government or Union Territory Administration within whose territory the powerloom or existing powerloom is located or is to be located and

who is notified as such;

(2) an article shall be deemed to be in the possession of a person when it is held on behalf of that person by another person or when it is held by that person on behalf of another person;

(3) "certificate" means the certificate of registration granted under this Order or under the repealed Orders;

(4) "city" means the area within the local limits of a. municipal authority (by

(5) "cloth" means any fabric made either wholly or partly from cotton, wool, or man-made fibre (continuous) or man-made fibre; (discontinuous), natural silk, or wastes or any of these materials and includes cloth containing any other yarn, but does not include;

(a) hose pipe;

(b) hosiery including hosiery, knitted or tubular fabric containing one thread running throughout the entire fabric;

(c) leather cloth, inferior or imitation leather cloth ordinarily used in book-binding or for making book-binding cloth;

(d) made-up clothing;

(e) plush-cloth in the manufacture of which cotton yarn is used;

(f) rubberised or synthetic water-proof fabric whether single textured or double textured;

(g) tracing paper;

(6)

(a) "controlled cloth" means any variety or class or specification of cloth for which the maximum price or the principles on which or the manner in which the maximum price is to be determined by a manufacturer as specified by the Textile Commissioner under Cl. 16;

(b) "non-controlled cloth" means any cloth other than the controlled cloth.

(7) "cotton yarn or cloth" means any type of yarn or cloth manufactured either wholly from cotton or partly from cotton and partly from any other material where cotton is predominant by weight;

- (8) "form" means a Form appended to this Order or as may be specified under this Order by the Textile Commissioner, or the concerned State Government or the Union Territory Administration;
- (9) "knitting machine" means a warp-knitting machine and includes a machine commonly known as Raschael knitting machine;
- (10) "lace-making machine" means a machine worked by power for the production of fabric of open mesh or net formed by crossing and interviewing threads;
- (11) "man-made fibre yarn or cloth" means yarn or cloth where man-made fibre (continuous) or man-made fibre (discontinuous) is predominant by weight;
- (12) "manufacturer" includes a producer or processor, or both and the expression "manufacturer" and its grammatical variations shall be construed accordingly;
- (13) "metropolitan area" means the standard urban area limit as determined in the Census of India, 1981, having a population of more than ten lakhs;
- (14) the expression "offer to sell" shall be deemed to include a reference to an intimation by a person of the price proposed by him 'for the sale of an article, made by the publication of a price list by exposing the article for sale in association with or bearing a mark indicating price by the furnishing of a quotation or otherwise, however;
- (15) "permit" means the permit granted under the repealed Orders;
- (16) "person" includes:
- (i) an association of persons or a body of individuals whether incorporated or not; and
 - (ii) a company as defined in the Companies Act, 1956;
 - (iii) a fmii/dealer/manufacturer/processor/producer;
 - (iv) a Hindu undivided family;
 - (v) every artificial juridical person, not falling within any of the preceding items;
- (17) "power" has the same meaning as in Cl. (g) of Section 2 of the

Factories Act, 1948 ;

(18) "powerloom" means a loom which is worked by power and which is used or may be used for weaving cloth;

(19) "existing powerloom" means those powerlooms which are installed and working at the commencement of this Order;

(20) "processor" means a person other than a producer engaged in any ancillary process subsequent to the production of cloth or yarn, such as, dyeing, bleaching, mercerising, embroidering, printing, raising, cloth embossing or finishing on any equipment operated by power or by the use of steam generated by a boiler as defined in Cl. (b) of S.2 of the Indian Boilers Act, 1923, and the expression "process" and its grammatical variations shall be construed accordingly;

(21) "producer" means a person engaged in the production of either cloth or yarn or both by power and the expression "produce" and its grammatical variations shall be construed accordingly;

(22) "registration authority" means the officer of the State Government or a Union Territory Administration under whose territory the powerloom or existing powerloom is located or is to be located and who are notified as such;

(23) "silk yarn or silk cloth" means the yarn or silk cloth where natural silk is predominant by weight or where either natural silk and man-made fibre (continuous) or man-made fibre (discontinuous) or any of them is predominant;

(24) "spinning machine" means a machine having spindle, rotors or any other device worked by power and used for the production of yarn; .:

(25) "Textile Commissioner" means the Textile Commissioner appointed by the Central Government and includes any Additional Textile Commissioner, Joint Textile Commissioner, Industrial Adviser or the Adviser (Cotton) appointed by the Central Government in the Office of the Textile Commissioner;

(26) "wool" includes animal hair;

(27) "wool top" means combed woollen and animal hair silver used for spinning worsted yarn;

(28) "woollen yarn or cloth" means the yarn or cloth where wool is

predominant by weight or where wool and any fibre other than cotton are equally predominant by weight and includes the yarn manufactured out of pulled or garnetted rags;

(29) "yarn" with its grammatical variations, means manufactured predominantly from cotton, wool or man-made fibre (continuous), man-made fibres (discontinuous) or natural silk or any other natural or mineral fibres or waste of any of these materials and include metallic/metalised yarn.

PART 2
PART

4. Spinning and knitting machines :-

(1) No person shall install any spinning machine for production of cotton yarn, woollen yarn or man made fibre yarn without first obtaining a certificate from the Textile Commissioner.

(2) The application for certificate shall be made in such form as may be specified by the Textile Commissioner.

(3) Each application for grant of certificate shall be accompanied by a bank demand draft for rupees four hundred payable at Bombay in favour of the Textile Commissioner. The fee so paid shall be non-refundable and no fee shall be charged in the case of permission for installation of a spinning machine to be used for the purposes of research, development and sampling.

(4) On receipt of application in the prescribed Form, the Textile Commissioner may either grant or refuse to grant the certificate.

(5) Nothing in this clause shall apply to the installation of a spinning machine in pursuance of a licence where such licence is required under the provisions of Industries (Development and Regulation) Act, 1951.

(6) All certificates or permits issued under the repealed Orders shall be deemed to have been issued under this Order.

5. 5 :-

In granting or refusing certificate under Cl. 4 the Textile Commissioner shall have regard to the following matters, namely:

(a) the requirement of yarn;

(b) the size of the undertaking;

(c) the nature of the preparatory and other machines already installed in the undertaking;

(d) the necessity for training persons or rehabilitating persons in the spinning industry.

6. 6 :-

(1) A person, who sells or otherwise disposes of any spinning machine to any person or changes the location of the spinning machine, shall get the certificate or permit amended within thirty days from the date of such sale or disposal or change of location : Provided that where the new location is within the limits of a metropolitan area or a city, prior approval for such amendment in the certificate or permit shall be obtained from the Textile Commissioner.

(2) No fee shall be levied for such amendment. In case of sale or disposal; the responsibility of getting the certificate amended, shall be both on the transferor and the transferee.

7. 7 :-

The Textile Commissioner while issuing certificate under Cl. 4 shall specify the type of yarn to be produced and the extent of multi-fibre flexibility permissible in terms of Government policy in force.

8. 8 :-

(1) Every person shall, within ninety days of the date of commencement of this Order, or from the date of acquisition, whichever is later, shall apply to the Textile Commissioner or any authority specified by the Textile Commissioner in such Form as may be specified for grant of a certificate in respect of each warp, knitting machine, lace- making machine for production of cotton cloth, woollen cloth, silk cloth, or man-made fibre cloth.

(2) The registration certificate under this clause shall be issued in such Form as may be specified by the Textile Commissioner.

PART 3

PART

9. Powerlooms :-

1 [(1) Every person, who owns "existing powerloom or powerlooms" with a valid permit of certificate from the competent authority issued under the repealed Orders, shall, within 12 months

from the date of commencement of the principal Order, apply to the registration authority for the grant of a certificate under this Order.

(2) Every person, who owns "existing powerloom or powerlooms" without any valid permit or registration certificate from the competent authority issued under the repealed Orders, shall within nine months from the date of commencement of the Order, apply to the registration authority for the grant of a certificate under this Order.]

(3) No person shall-

(i) after the commencement of this Order, install any powerloom in a metropolitan area or a city, without first obtaining a registration certificate from the registration authority; and

(ii) in an area, other than the metropolitan area, or a city, operate a powerloom without first obtaining a certificate from the registration authority.

(4) Application for a certificate shall be made in such Form as may be specified by the Textile Commissioner.

(5) All such applications, shall be accompanied by a bank demand draft for rupees two hundred and fifty payable in favour of a registration authority, as fee for each powerloom: Provided that no fee shall be payable in case of those powerlooms where a valid permit or certificate exists under the repealed Orders.

(6) The fee paid under sub-clause (5) shall be non-refundable.

(7) Nothing in this clause shall apply to the installation of powerloom which is covered by a licence issued, under or which is covered by the provisions of Industries (Development and Regulation) Act, 1951 : Provided that the holder of a licence issued under the Act, shall within 90 days from the commencement of this Order, or within 90 days of the receipt of a new licence as the case may be, inform the appropriate registration authority the details regarding the number of powerlooms: Provided further that where an application for registration certificate is made to the registration authority after the expiry of the period specified in sub-clauses (1) and (2) the registration authority, if it is satisfied that the applicant was prevented by sufficient cause from making the application within the time specified, may accept the application, register the

powerloom and issue a certificate.

1. Subs. by Notification No. 8/37/85/T.P.C., dated 31st December, 1986

10. 10 :-

(1) No person shall shift any powerloom to a metropolitan area or a city without prior permission in writing from the registration authority : Provided that no such permission shall be necessary for shifting of any powerloom to an area other than a metropolitan area or a city.

(2) All powerlooms shall be installed within six months from the date of issue of a certificate under this Order failing which, the certificate shall lapse and cease to be effective.

(3) Every person shall, within six months, intimate to the registration authority by registered letter the closure of any powerloom owned by him and he shall surrender his certificate in case of closure of all powerlooms covered by such certificate.

11. 11 :-

(1) The certificate issued by the registration authority under Cl. 9 shall be valid for a period of five years from the date of registration.

(2) Every owner of powerloom shall get his certificate renewed every five years on payment of fee of Rupees Fifty only per powerloom by making an application in the Form specified by the Textile Commissioner.

12. 12 :-

Every holder of the certificate issued under Cl. 9 and permission under Cl. 10 shall, within six months of its issuance, send a report to registration authority in the Form specified by the Textile Commissioner, giving-

(a) full details regarding the making and number of the powerloom installed;

(b) electricity consumer number; and

(c) a certificate to the effect that-

(i) the registration number has,been put at a conspicuous place on each of the powerlooms; and

(ii) that a plate has been affixed outside the premises indicating the number of powerlooms installed therein and their registration number: Provided that in case of shifting of powerloom under sub-clause (2) of Cl. 10 such report shall be submitted within one month of such shifting.

13. 13 :-

While issuing certificate in respect of powerlooms, the registration authority shall specify the type of cloth to be produced in accordance with the policy of the Government of India.

14. 14 :-

While granting or refusing certificate or any amendment thereto under this Order, the registration authority shall have regard to-

(a) the proposed location of powerlooms;

(b) the size of the undertaking; and

(c) whether the powerlooms proposed to be installed are to be utilised for weaving cloth as per the policy announced by the Government of India: Provided that no certificate or amendment thereto under this Order shall be granted for production of items reserved for exclusive production by handlooms under Handlooms (Reservation of Articles for Production) Act, 1985 .

PART 4

PART

15. Miscellaneous :-

If the Textile Commissioner, or the registration authority, as the case may be, is satisfied either on a reference made to him in this behalf or otherwise, that any person to whom a certificate under Cl. 4 or Cl. 8 or Cl. 9 has been issued, by him has supplied incorrect information for the purpose of obtaining such certificate, he may, without prejudice to any other action which may be taken against the holder of a certificate under any law, after giving an opportunity of being heard in the matter, revoke such certificate, by an Order in writing: Provided that the Textile Commissioner or the registration authority, as the case may be, on sufficient cause being shown to him cancel any such Order of revocation.

16. 16 :-

(1) The Textile Commissioner, may, from time to time, issue directions in writing to any manufacturer or class of manufacturers

or manufacturers generally, regarding-

(a) the clause or specifications of cloth or yarn which each manufacturer or class of manufacturers or manufacturers generally shall or shall not manufacture;

(b) the maximum or minimum quantities of cloth or yarn which such manufacturer, or class of manufacturers or manufacturers generally shall manufacture during such period as may be specified in the Order,

(c) the maximum price ex-factory, wholesale or retail at which any class or specification of cloth or yarn may be sold; or

(d) the principles on which and the manner in which such maximum prices may be determined by a manufacturer; and

(e) the manner of packing of yarn in banks, cones or in any other form and in such proportion as he may consider necessary or expedient: Provided that in issuing any direction under this clause, the Textile Commissioner shall have regard to-

(i) the demand for cloth or yarn;

(ii) the needs of the general public;

(iii) the special requirements of the industry for such cloth or yarn;

(iv) the capacity of the manufacturer or class of manufacturers or manufacturers generally, to manufacture or pack different descriptions or specifications of cloth or yarn; and

(v) the necessity to make available to the general public cloth of mass consumption.

(2) While issuing any direction under sub-clause (1), the Textile Commissioner may also provide that such direction shall be with reference to the quantity of cloth or yam packed by the manufacturer or class of manufacturers or manufacturers generally during the period specified in the direction.

(3) Every manufacturer, or class of manufacturers or manufacturers generally, to whom a direction has been issued shall comply with it.

(4) Where, on an application made by any manufacturer or class of manufacturers or otherwise the Textile Commissioner is satisfied that any direction issued by him under this clause causes undue hardship or difficulty to any such manufacturer or class of

manufacturers, he may, by Order and for reasons, to be recorded in writing, direct that the directions shall not apply, or shall apply subject to such modifications, as may be specified in the Order, to such manufacturer or class of manufacturers.

17. 17 :-

(1) The Textile Commissioner may specify the markings to be made by a manufacturer or dealer of any class or specification of cloth or yarn manufactured or sold by him and the time and manner of making such markings.

(2) Every marking specified by the Textile Commissioner under this clause with respect to length, width, count or weight shall be subject to the relevant limits of variations contained in the instructions, for the time being in force issued by the Central Government under S.95 of the Trade and Merchandise Marks Act, 1958.

(3) Where the markings to-be made and the time and manner or marking in respect of any class or specification of cloth or yarn have been specified under this clause-

(a) the manufacturer or, the dealer, in such cloth or yarn, as the case may be, shall cause the markings to be made thereon at the time and in the manner specified;

(b) no person other than such manufacturer or dealer shall cause the markings to be made on any such cloth or yarn;

(c) no person other than such manufacturer shall have in his possession or under his control any cloth or yarn which is not so marked, unless it is for bona fide personal requirements;

(d) no person shall alter or deface or cause or permit to be altered or defaced any marking made on any such cloth or yarn held by him otherwise than for his bonafide personal requirements;

(e) no person shall make on any cloth or yarn any marking resembling the specified markings;

(f) no person shall have in his possession or under his control otherwise than for his bonafide personal requirements any cloth or yarn the marking whereon is altered or defaced or is of a character specified in para (e).

(4) Where in pursuance of sub-clause (1), markings are required to

be made at one end of any piece of cloth, that portion of the piece containing the said markings shall not be cut or separated from the said piece of cloth at any time till the portion other than the portion containing the said markings is sold.

18. 18 :-

(1) The Textile Commissioner, may, with a view to securing proper distribution of cloth or yarn and with a view to securing compliance with the provisions of this Order, direct any manufacturer or dealer or class of manufacturers or dealers-

(a) to sell or deliver specified quantities of cloth or yarn to specified persons;

(b) not to sell or deliver cloth or yarn of specified description except to specified persons and subject to such conditions as the Textile Commissioner may specify in the direction.

(2) Where any direction is issued under sub-clause (1) the manufacturers or dealers, as the case may be, shall comply with such directions.

(3) While issuing directions under sub-clause (1), the Textile Commissioner shall have regard to the following matters, namely :

(a) the requirements of various categories of persons, specified in sub-clause (I);

(b) the availability of cloth or yarn of different descriptions; and

(c) the requirements of any local area.

19. 19 :-

No manufacturer or dealer shall sell, or offer to sell any cloth or yarn, at a price higher than the maximum price specified or determined in this behalf under Cl. 16.

20. 20 :-

Every manufacturer of, and every dealer in yarn or cloth, shall keep such books of accounts, and other records relating to his business and shall furnish such returns or information at such intervals as the Textile Commissioner may require.

21. 21 :-

(1) The Textile Commissioner may, with a view to securing compliance with this Order-

(a) require any person to give such information in his possession with respect to any business carried on by that or any other person;

(b) require any person, in writing, to furnish samples of any articles to which this Order applies;

(c) inspect or cause to be inspected any books or other documents belonging to or under the control of any person;

(d) enter and search, or authorise any person to enter and search, any premises and seize any article in respect of which he has reason to believe that a contravention of this Order has been committed and any other article in the premises which he has reason to believe has been or is intended to be used in connection with such contravention.

(2) Every person who is required to give any information or furnish sample or produce any books or other documents under sub-clause (1), shall comply with such requisition.

(3) The provisions of Secs. 102 and Section 103 of the Code of Criminal Procedure, 1973 , relating to search and seizure shall, so far as may be apply to searches and seizures under this clause.

22. 22 :-

(1) For the purpose of enforcing the provisions of this Order, the Textile Commissioner, or registration authority, as the case may be, may, direct the officer-in- charge of-

(i) the laboratories of the Chief Inspectorate of Textiles and Clothing, Kanpur, or

(ii) the laboratories of the Inspectorate-General of Stores, Calcutta, Bombay, New Delhi or Madras, or

(iii) any of the laboratories established by the Textile Committee constituted under Textiles Committee Act, 1963 , to carry out or cause to be carried out such tests in relation to any cloth or yarn as may be specified by the Textile Commissioner or registration authority as the case may be.

(2) Where any direction is issued under sub-clause (1), the officer-in-charge of the laboratory concerned shall make a report under his hand to the Textile Commissioner, or registration authority, as the case may be, in respect of any tests so carried out and such report

may be used as evidence in any trial for contravention of any of the provisions of this Order.

23. 23 :-

(

1) The Textile Commissioner, or registration authority, as the case may be, may, with a view to maintaining and increasing the supply of either yarn, or cloth or both, issue directions to any person prohibiting him from dismantling his factory or any part thereof, or removing from his factory any spare part kept for maintaining the machinery of the factory in order, and where such directions are issued, the persons to whom they are issued shall comply with them.

(2) While issuing directions under sub-clause (1), the Textile Commissioner, or registration authority, as the case may be, shall have regard to the following matters namely:

(i) the supply of cloth and yarn available in the country and the demand therefor;

(ii) the financial and other resources of the factory;

(iii) any other relevant circumstances for the purpose of determining whether the dismantling or removal of a factory is likely to be detrimental to the public interest. Explanation.-In this clause, the words "dismantling", "factory" and "machinery" shall have the following meanings-

(a) "dismantling a factory" means removing from its position the machinery or part of the machinery of the factory, where by such removal the factory is rendered wholly or partly useless for its purpose, but does not include any temporary removal of the machinery or part thereof for the purposes such as adjustment, cleaning and repairs;

(b) "factory" means a factory as defined in Cl. (m) of Section 2 of the Factories Act, 1948 ;

(c) "machinery" has the meaning assigned to that word in Cl. (j) of Section 2 of the Factories Act, 1948 .

PART 5

PART

24. 24 :-

(1) The Textile Commissioner may, by a general or special Order in writing, authorise any officer of the Central Government or State Government to exercise on his behalf all or any of his functions and powers under this Order.

(2) The State Government may, by a general or special Order in writing, authorise any officer of the State Government to exercise all or any of the powers of registration authority under these Orders.

25. 25 :-

(1) Any officer, authorised to exercise powers delegated to him either by the Textile Commissioner or the Government or otherwise, shall be subordinate to the Textile Commissioner for the purposes of this Order and an appeal being an appeal against the Order of a registration authority against any of the Orders passed by such officer shall be preferred to the Textile Commissioner by an aggrieved person within 30 days of the Communication of the Order passed by such officers.

(2) Any registration authority or any other officer empowered to exercise powers of a registration authority delegated to him by the State Government shall be subordinate to the Appellate Authority for the purposes of this Order, and appeal against any of the Orders passed by the said officers shall be preferred to the Appellate Authority by an aggrieved person within 30 days of the communication of the Order passed by said officer or registration authority.

26. 26 :-

Any person aggrieved by an Order of the Textile Commissioner made under this Order, may prefer an appeal to the Central Government within thirty days of the date of communication of such Order, and the decision of the Central Government thereon shall be final.

27. 27 :-

It shall be competent for the Central Government to issue any Orders or directions to the Textile Commissioner or any of the other officers exercising any of the powers or performing any of the functions under this Order, on any or all matters and the respective officers shall comply with such orders of directions of the Government.

28. 28 :-

No person shall, with intent to evade the provisions of this Order refuse to give any information lawfully demanded from him under Cl. 14 or conceal, destroy, mutilate or deface any book or other document kept by him in the course of his business.

29. 29 :-

Any Court trying contravention of; any of the provisions of this Order, may direct that any article or articles in respect of which, it is satisfied, that the provisions of this Order have been contravened, shall be forfeited to the Government.

30. 30 :-

For the purposes of this Order, "State Government" includes the Union Territory Administration.